Results from the Survey of Self-Employment in Canada

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Results from the Survey of Self-Employment in Canada

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Introduction

1.1 Setting the report in context

Recent data indicate that close to one worker out of six in Canada is self-employed. After a prolonged period of decline, self-employment has generally grown at a faster pace than total employment for the last 25 years (Gardner [1996] and Statistics Canada [1997]), although the Labour Force Survey shows a slight decline in the share of the self-employed in total employment in the last two years.[1] In Canada, self-employment growth has been especially notable among women. During the last decade, growth took place among the self-employed who work without employees, i.e. the Own Account Self-Employed (OASE). These phenomena have been extensively documented for Canada, by Gauthier and Roy (1997) and by Statistics Canada (1997). Similar trends can also be observed in other Organisation for Economic Co-operation and Development (OECD) countries (OECD [2000]).

Little agreement has been reached on the causes of the growth of the share of self-employment in total employment. A number of likely causes have been offered: a low rate of economic growth and high level of unemployment, economic restructuring stemming from expanded international trade and from technological change, as well as a re-organization in the structure of firms that promotes outsourcing (HRDC [2000], and OECD [2000]). Self-employment may also have been growing faster than total employment as a delayed reaction to the massive entry of women into the labour market, who have been gradually taking their place in all occupations, industries, and types of employment relationships (Hughes [1999]).

The consequences of the expansion of self-employment on the "quality" of jobs, on the degree of satisfaction with one's work, on skill development, and income stability are as little understood as the causes.[2] The usual data sources—household surveys such as the Labour Force Survey—allow one to observe little beyond income and hours worked, from which many tend to form an unfavourable view of self-employment. Other surveys, on the other hand, tend to indicate that, on average, the self-employed are more satisfied with their job than employees (Blanchflower [2000] and OECD [2000]).

During the 1990s, information on the circumstances of employment of Canadians could be assessed through the Survey of Work Arrangements (SWA-1991 and SWA-1995).[3] This survey provided a wealth of information on employees; the 1995 version of the survey also provided key elements of information on the circumstances of the self-employed. Information on the circumstances of employment for employees is now obtained from the Workplace and Employer Survey (WES).[4] The Survey of Self-Employment (SSE) is partly motivated by the desire to update and enrich data available in the SWA-1995, and to gather data that cannot be obtained from the WES. Thus, the SSE contains questions relating to the work arrangements of the self-employed, and on the insurance coverage they privately acquired, as well as questions relating to traditional labour market concerns, such as human capital accumulation.

The SSE serves to complete the portrait of the self-employed in Canada, by providing information on individuals' entry into self-employment and on their present situation. While the available data are not sufficient to resolve the question on the causes of growth in self-employment, they go a long way in assessing the "quality" of the self-employed jobs.

1.2 Goals and structure of the report

The first goal of this report is to present a basic description of the results of the SSE. The approach adopted in this report is characterized by its simplicity, as it essentially relies on cross-tabulations with socio-demographic characteristics of the population that appear relevant. These cross-tabulations should not be over-interpreted, as they are not sufficient to establish causal links, or even that observed correlations would remain once one takes into account other relevant factors. The second goal of this report is to assess the situation of the self-employed by comparing what is learned from this survey with data sources on employees.

Chapter two presents an overview of the basic socio-demographic characteristics of the self-employed. This overview facilitates comparison with other widely known information sources on the subject (Statistics Canada [1997], for example) and allows for a better understanding of the following chapters, where some of these characteristics are used as covariates.

Chapter three presents how many hours the self-employed worked and the income they earned in 1999. It also looks at two aspects of the work arrangements of the self-employed. First, the support obtained from clients by those who work at clients' sites. Second, how those who worked in the past as employees assess whether being self-employed leads to gains or losses of control over one's work.

Chapter four contains two distinct sections. The first section discusses the road into self-employment, by focussing on two aspects: the circumstances of their transition into self-employment, and the nature of their main activity in the twelve months preceding it. The second section describes the general attitude of the self-employed towards their status, and their likes and dislikes about that status. This section also presents whether being self-employed facilitates maintaining a work and family-life balance among those who started their self-employment spell in 1995 or later and had been employees before.

Overall, chapter four allows for an assessment of "quality" that goes beyond the objective facts of how many hours one works and how much income one derives from self-employment by considering subjective aspects, the foremost of which is whether the respondent would rather be an employee than be self-employed.

Chapter five concerns the training behaviour of the self-employed. As the recent report on the Adult Education and Training Survey (AETS) notes,[5] the self-employed have a lower participation rate than employees in formal training. The SSE contains information on the formal training behaviour of the self-employed that allows for comparison with the AETS and, to some extent, with the Workplace and Employee Survey. The SSE also contains questions on informal training behaviour and on the relative usefulness of formal versus informal training. These questions may allow researchers to determine whether informal training may substitute for formal training.

Chapter six presents what is learned about the finances of the self-employed from the SSE. An inherent characteristic of self-employment is a potentially greater instability, be it in hours worked or in income derived from work. Many employees are insured against minor labour market fluctuations via implicit contracts with their employers. Moreover, employees can benefit from social insurance programs, such as Employment Insurance, to protect them against severer fluctuations. The self-employed, on the other hand, must self-insure or depend on relatives or financial institutions in times of financial difficulties. The SSE contains information on the incidence of past financial difficulties among the self-employed and on the ways they dealt with these difficulties. It also contains basic information that allows one to explore what are the characteristics of the self-employed who would be interested in participating in an income insurance program.

The self-employed must acquire directly what many employees obtain as part of their compensation package. Chapter seven presents information on dental, supplementary health, and disability insurance plans for the self-employed. This chapter contains information on the coverage rate for these insurance plans, the sources of coverage for dental and supplementary health plans, as well as the main reasons why individuals without coverage have chosen not to buy insurance.

Chapter eight describes the extent to which the self-employed have started preparing financially for retirement, and the types of assets they have acquired. Many employees benefit from employer-sponsored pension plans or group RRSPs as part of their compensation package, while the self-employed need to have the foresightedness to prepare without the support of an employer.

Associations are a possible means through which the self-employed can collectively buy goods and services at lower costs. Chapter nine presents what is learned from the SSE about the self-employed membership in professional, occupational, or trade associations or in other associations advancing their interests, and the services these associations offer.

Some conclusions are presented in chapter ten. An Appendix containing statistical Tables accompanies each Chapter in this report. These Appendices are at the end of this report.

1.3 Statistical framework

Developed by Human Resources Development Canada in collaboration with Statistics Canada, the Survey of Self-Employment (SSE) was conducted as a supplement to the monthly Labour Force Survey (LFS) during April 2000. The LFS sampling frame has been used, with all the applicable concepts and definitions.[6] The LFS is a household survey conducted on a monthly basis whose sample of individuals is representative of the civilian, non-institutionalized population 15 years of age or older in Canada's ten provinces. The survey is representative of approximately 98% of the population aged 15 or over. To be eligible for the SSE, one had to be aged 15 to 69 and be self-employed in the main job during the reference week in April 2000. Full time students and respondents who, on average, work fewer than 11 hours per week were excluded.[7]

In total, 6,623 individuals were eligible for the SSE; non-proxy interviews were completed with 4,023 of these individuals.[8] 4,015 records qualified to be included in the survey file, which represents 60.6% of eligible individuals.[9] The present report is based on the answers of 3,840 respondents who accepted that the survey information collected by Statistics Canada be shared with Human Resources Development Canada. Statistics computed with the public file may differ slightly from the ones published in this report.

Statistics presented in this report generally take the form of percentage estimates over the entire self-employed population or subsets of that population. To represent accurately the self-employed population in Canada, weights provided by Statistics Canada are used.

Statistical estimates presented in this report generally follow the guidelines established by Statistics Canada. Coefficients of variation of estimates have been calculated using the approximate sampling variability tables provided by Statistics Canada in the SSE Microdata Users' Guide. These coefficients of variation help to evaluate the reliability of derived estimates. Readers should be aware that estimates accompanied by the symbol * are of marginal quality, as their coefficient of variation has been calculated to be between 16.6% and 33.3%. Estimates accompanied by the symbol # have a coefficient of variation higher than 33.3% and are considered of unacceptable quality. These estimates are nevertheless presented whenever readers can easily infer them from other data presented in the report. Otherwise, estimates with a coefficient of variation higher than 33.3% are

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Only cross-tabulations that are statistically significant are presented in this report. The straightforward Chi-square test of independence between nominal variables is used. Only differences that have a p-value of less than 0.05 are reported. For the Chi-square tests, weights are re-scaled, and observations have an average weight of 1.

Definitions regarding self-employment used in this report

1. The Labour Force Survey identifies the self-employed on a self-assessment basis: a survey respondent is simply asked whether a person is an employee or self-employed. In the case of proxy answers, the first step undertaken in the Survey of Self-Employment (SSE) has been to ask again about the self-employment status of the respondent.

2. *Self-employment*: There are two categories of self-employed individuals in the SSE:

    - Working owners of incorporated businesses, farms or professional practices (38.1% of the [weighted] population);

    - Working owners of unincorporated businesses, farms, professional practices, and other self-employed (including those who do not have a business, for example, individuals selling goods from their home directly to customers or tutors, translators, and consultants who do not have an office). (61.9% of the [weighted] population.)

    Unpaid family workers are not part of this survey's target population.

3. *Employers*: For the purpose of this report, individuals who had employees during the year preceding the survey are considered employers. The others are the Own Account Self-Employed (OASE). Employers represent 46.2% of the (weighted) population. An alternative definition is to consider as employers only those who had employees during the reference week (37.9% of the weighted population). The presence of sub-contractors is ignored.

4. *Start-date of the current self-employment*:

    - For self-employed with a business: the year and month when the business was created or acquired;

    - For self-employed without a business: the year and month when the most recent period of continuous work began.

    With the start-date of current self-employment, the tenure variable is derived. In the SSE, the OASE represent a larger share of those with short tenure length, while employers' share increases for longer tenure. If one considers the mean tenure length, the OASE have somewhat shorter tenure (9.0 years), compared to employers (11.6 years).

5. *Business partner*: for a partnership to exist, the business/professional practice must be registered as a partnership. The fact that one's spouse is a business partner does not imply that both spouses are self-employed and working in the same business.

6. ***Income:***

- **In the case of income derived from an unincorporated business, the concept adopted is net income before taxes and deductions. In the case of a partnership, only the respondent's share is to be reported.**
  - **For farmers, income includes farm program payments, Canadian Wheat Board payments, and crop insurance payments. It excludes operating expenses, depreciation allowances, capital cost allowances, as well as the value of food and fuel produced and consumed on own farm.**
  - **For non-farmers, the income excludes operating expenses, depreciation allowances, and capital cost allowances.**
- **In the case of income derived from an incorporated business or a professional practice, the concept adopted is gross personal income before taxes and deductions.**

Note: The definitions above are adapted from the SSE Microdata Users' Guide.

Notes

[1] As well as a decline in the absolute number of self-employed Canadians from April 1999 to April 2001. The decline is most pronounced in the farming industry. The number of self-employed with university degrees continued to increase over the same period. For a discussion of changes during 2000, see Bowlby (2001).

[2] The term "quality" is widely used, although it is rarely possible to make the encompassing judgement that appears implicit in it. See Statistics Canada (1997) and OECD (2000).

[3] The second Survey of Work Arrangements, also a Labour Force Survey supplement, was conducted in November 1995. Statistics Canada (1998). Lipsett and Reesor (1997) analyze the two waves of the SWA.

[4] Statistics Canada and Human Resources Development Canada (2001b).

[5] Statistics Canada and Human Resources Development Canada (2001a).

[6] *The Guide to the Labour Force Survey*, from Statistics Canada (revised February 2001, catalogue number 71-543-GIE), provides the definitions and an introduction to the survey methodology. This guide is available free of charge on Statistics Canada's website: www.statcan.ca

[7] Further information can be obtained by consulting the Survey of Self-Employment Microdata Users' Guide.

[8] In the case of respondents for whom the Labour Force Survey interview had been conducted on a proxy basis (information obtained from another household member), confirmation of their self-employment status was sought at the start of the SSE interview.

[9] The response rate is usually higher in the case of Labour Force Survey (LFS) supplements. A series of comparisons of respondents and non-respondents using the LFS socio-demographic data has not revealed any significant non-response bias.

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Socio-Demographic Characteristics

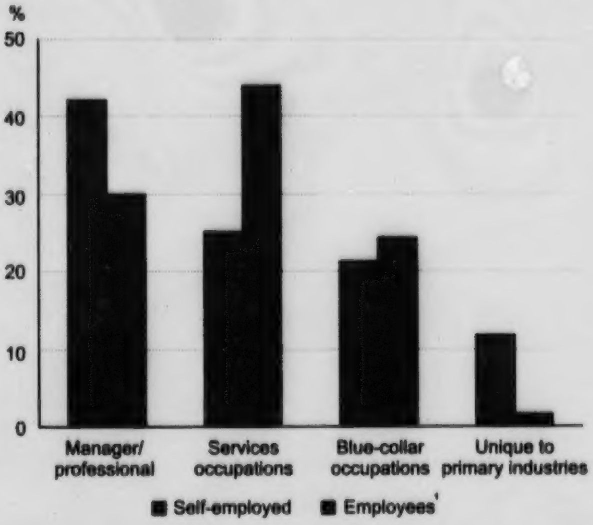
This chapter presents the socio-demographic characteristics of the self-employed. It allows to develop a better understanding of the self-employed characteristics, and to compare them with those of employees.

First, the occupations of the self-employed characterize who they are, from an economic point of view. Next, a summary description of the self-employed by their sex, age, education, and immigration status show who they are, from a more sociological point of view. Finally, the industrial and provincial distributions of the self-employed show where the self-employed work.

Occupations

For this report, occupations have been aggregated into four categories: managerial and professional occupations, service occupations, blue-collar occupations, and occupations unique to primary industries.[1] The distribution by occupation is markedly different from the one observed among wage and salary workers (henceforth, employees), as Figure 2.1 shows. While the blue-collar occupations represent roughly the same percentage of the self-employed and employees, service occupations represent a smaller share of total self-employment. Occupations unique to primary industries represent a larger percentage among the self-employed, and the share of managerial and professional occupations among the self-employed is roughly 40% larger than among employees.

Figure 2.1 **Distribution of employment by groups of occupations, for the self-employed and employees**

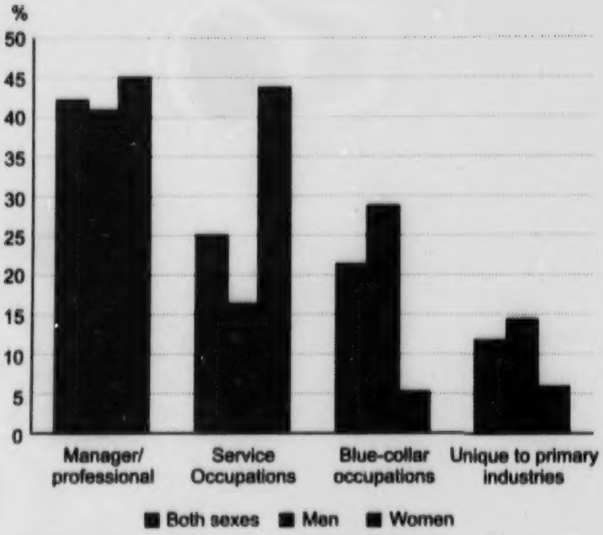


[1] For private and public sector employees, from 15 to 69 years of age, working either full time or part time at the time of the April 2000 Labour Force Survey. Full time students are excluded.

Sex

While men represented 52% of employees, in April 2000, they represented over two-thirds of the self-employed.[2] The share of men in each group of occupations varies markedly. The share of men in managerial and professional occupations roughly reflects the share of men in total self-employment. There are more women than men in service occupations; on the other hand, the groups of blue-collar occupations and of occupations unique to primary industries are overwhelmingly male.

Figure 2.2 **Distribution by groups of occupations of men and women, for the self-employed**



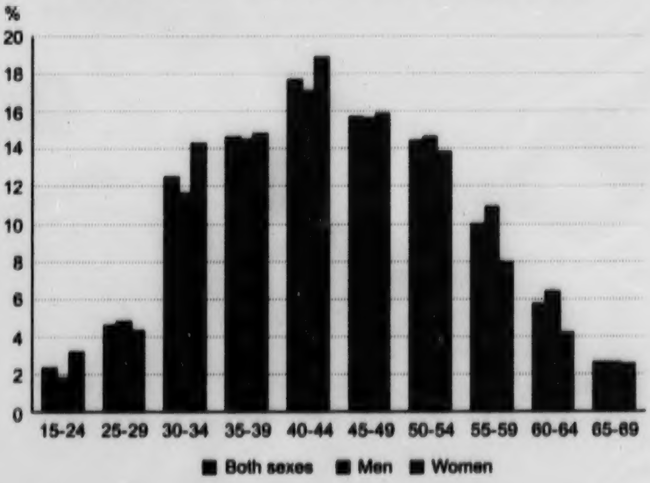
Another way to look at the same information is to consider the relative weight of each group of occupations for women and men. Both the group of managerial and professional occupations and the group of service occupations represent around 45% of the self-employed women; the remainder are evenly split across blue-collar occupations and occupations unique to primary industries. The group of managerial and professional occupations represents 40% of self-employed men, while close to 30% of them are in blue-collar occupations. The remainder are almost evenly split in the service occupations and in the occupations unique to primary industries.

While self-employed men are as likely to be working on their own (the Own Account Self-Employed [OASE]) as they are to have employees, around 60% of self-employed women are OASE and the other are employers. Women represented 27% of self-employed employers in 2000, a similar proportion to the 26% observed in 1996. The mean tenure of the female OASE is 6.8 years, compared to 10.4 years for the male OASE. Among employers, the difference between men and women is somewhat less pronounced (9.5 years versus 12.3 years).

Age

While young workers from the age of 15 to 29 account for close to a quarter of all employees between the age of 15 to 69, they represent less than one-tenth of the self-employed. In contrast, the self-employed from the age of 50 to 59 represent around a quarter of the total, versus one-sixth among the employees. Similarly, around 8% of the self-employed are 60 to 69 years old, compared to about 3% among employees. That the self-employed tend to be older than employees is commonly observed.[3] However, data from the SSE clearly indicates that for many, their spell of self-employment began when they were rather young. Close to a quarter of the currently self-employed began their current spell before age 27, and over half before age 35. [4,5]

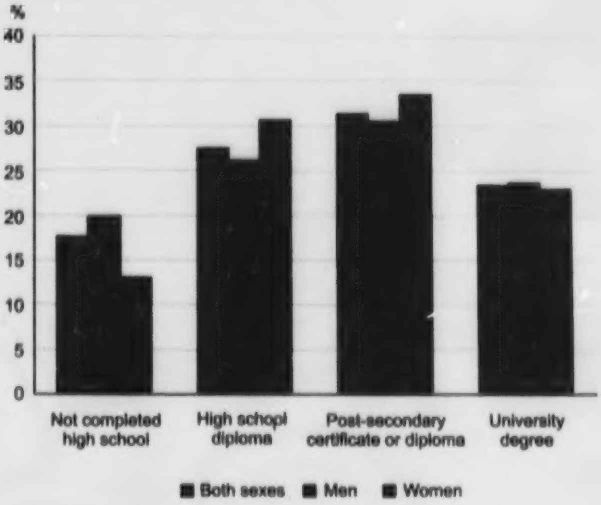
Figure 2.3 **Age distribution of the self-employed, by sex**



Education

More than half of the self-employed have some sort of post-secondary certificate or diploma, including about a quarter who have a university degree. Men are more likely than women to have less education than a high school degree, are somewhat less likely to have only a high school degree or some post-secondary education, and are about as likely to have a university degree. Compared to employees, the self-employed are more likely to have a university degree and more likely to have less than a high school degree. This tends to confirm that the distribution of school achievement is more polarized among the self-employed.[6]

Figure 2.4 **Distribution by education levels of the self-employed, for men and women**



[1] Including some post-secondary education.

Marital status

About 80% of the self-employed are married. (In this report, the "married" category always includes the common-law relationship category.) Slightly less than a third of the married self-employed have their spouse as a business partner: this is the case with 35.9% of married self-employed women and 28.4% of married self-employed men.[7]

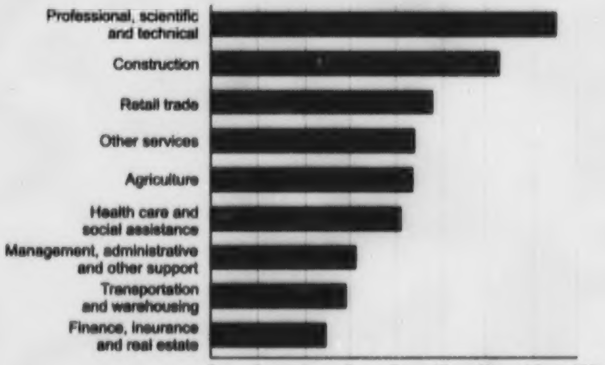
Immigration status

Immigrants account for 17.7% of the self-employed, a share that is the same among men and women.[8] A large fraction of immigrants arrived in Canada when they were rather young. More than a third of the self-employed that are immigrants arrived in Canada before the age of 15, and a further 34.7%, between 15 and 29 years of age.[9]

Industry

Just over 80% of the self-employed are concentrated in nine industries. The same nine industries employed around 50% of all employees at the time of the survey.

Figure 2.5 **Main industries of employment for the self-employed, in percentages**



Province

The distribution of the self-employed across provinces differs somewhat from the distribution of employees. The provinces of Saskatchewan, Alberta, and British Columbia have larger shares of the self-employed than of employees. Employers represent a much larger share of the self-employed in the four Atlantic provinces than in the rest of Canada; however, the proportion of the OASE is higher in Saskatchewan. This larger share is attributable to the large share of OASE among farmers[10] and to the large share of farmers in total self-employment in that province.

The SSE also shows clearly that the self-employed are more likely to be living outside the three major urban centres of Canada than employees are. The tendency to live outside the major urban centres is most pronounced among those in occupations unique to primary industries. Conversely, it is least pronounced for the group of service occupations where close to 60% of the self-employed live in one of the major urban centres.

Finally, it can further be noted that the OASE are less likely than employers to be in the group of managerial and professional occupations and rather more likely to be in the group of service occupations. They have less education and are younger than employers, and are less likely to have a spouse.

Notes

[1] Table A.2 in Appendix A presents the occupations which make up these four groups, as well as the weight of occupations within a group.

[2] This is essentially the same fraction as what was observed in 1996, when men represented 66% of the self-employed. Statistics Canada (1997), page 9.

[3] See Statistics Canada (1997) Le (1999) and OECD (2000).

[4] The empirical work of Lin, Picot, and Yates (1999) shows that young individuals are both more likely to enter and to exit the self-employment state than older individuals. However, it also shows that the probability of exiting within a year declines as self-employment tenure increases. A relatively smaller flow (those who entered in their twenties) that stays in the stock for a long period of time (possibly until their sixties) can account for a larger fraction of the stock than a larger flow (those in their forties) that stays in the stock for a shorter period of time. Evans and Leighton (1989) have shown that an entry rate declining in age can co-exist with a stock whose incidence is increasing in age.

[5] Tables on the age at which current self-employment spells began are based on unpublished data. These tables were computed for the present purpose by Elizabeth Majewski and Christopher Mohl, from Statistics Canada. Their assistance is gratefully acknowledged.

[6] This view is presented in Statistics Canada (1997, page 14) where self-employment incidence rates, given education levels, are computed. It finds confirmation in other OECD countries; see Blanchflower (2000).

[7] Having one's spouse as a business partner does not necessarily mean that one is working in the same business as one's spouse. In the SSE, the spouse's class of worker is known, but not whether spouses work together in the same business. Around two-thirds of the self-employed whose spouse is their business partner have a spouse who is self-employed; among those whose spouse is not their business partner, slightly less than 20% have a spouse who is self-employed. According to Marshall (1999), about 70% of all couples in which both spouses are self-employed work in the same business.

[8] The results from the Survey of Labour and Income Dynamics (SLID) are very similar. According to the SLID, in 1998 close to 16% of employees and almost 19% of the self-employed were born outside Canada.

[9] While the self-employed foreign-born Canadians are just as likely as their native-born counterparts to be employers, those who immigrated to Canada during the 1980s are somewhat more likely to be employers, while those who immigrated during the 1990s are much less likely to be employers.

[10] More precisely, those in occupations unique to agriculture excluding labourers.

Hours, Income and Work Arrangements

This chapter completes the basic description of the characteristics of the self-employed. Information about their full-time, part-time status is presented, as well as the average number of hours usually worked during a week, the distribution of the average hours usually worked, and the income distribution.

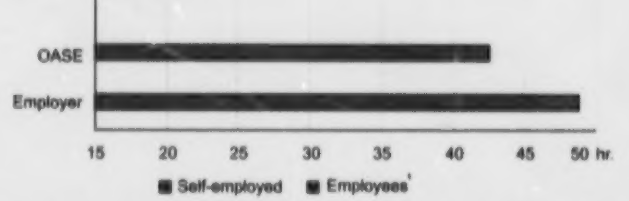
The Survey of Self-Employment (SSE) also collected data relating to the nature of the work arrangements of the self-employed. It shows that the self-employed work in a variety of locations and that a small proportion of these obtain material support from their clients. More importantly, this section of the survey provides some insight into the extent to which the self-employed really benefit from one of the defining characteristics of their status: possessing control over their work environment, how they work and when they work.[1] This control is clearly a question of degree: working to the satisfaction of clients may be as difficult as satisfying an employer. The self-employed should nevertheless have more leeway in the methods, the pace, and when they work than employees.

3.1 Hours worked and income earned

Part-time versus full-time status and hours worked

Around 88% of the self-employed work full time, which is essentially the same percentage as among employees. About 7.5% of the self-employed men work part time, which is somewhat higher than the 5% of male employees who work part time. Approximately 23% of the self-employed women work part time, which is very similar to what is observed among female employees. Only 6% of the self-employed employers work part time, compared to 18% of the OASE. Part-time work is more prevalent in service occupations.

Figure 3.1 **Mean hours worked by the self-employed and employees, for selected characteristics**



[1] For private and public sector employees, from 15 to 69 years of age, working at least 11 hours per week, according to variable usual total hours worked, April 2000 Labour Force Survey. Full time students are excluded.

On average, the self-employed work 45.4 hours per week.[2] The average is 48.8 hours among the full-time self-employed, which is considerably more than the 40 hours among full-time employees, and 21.4 hours among the self-employed working part time, which is very similar to what is observed among employees. Men tend to work on average longer hours than women. The average work week is also longer among employers than the OASE.

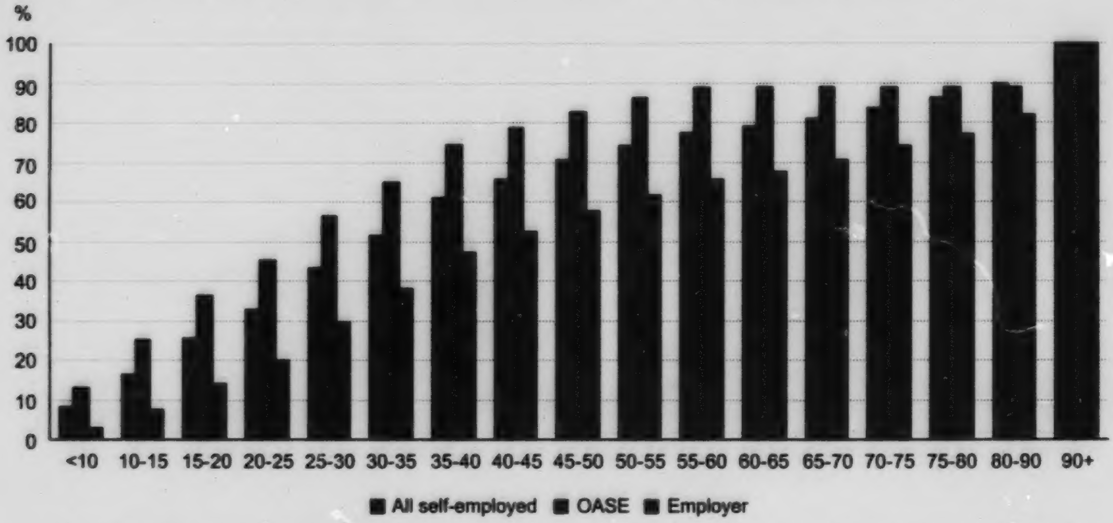
Income

It is not possible to compute the exact median and average incomes of the self-employed because income information was collected by ranges. However, the SSE provides some basic information about the distribution of income for 1999.[3]

To some extent, the income distribution is characterized by polarization. A large proportion of the OASE earned a relatively low income, few earned income of $60,000 or more. On the other hand, there were very few employers with very low income, say, inferior to $20,000, but there were more than 20% with income superior to $80,000.

Excluding the self-employed who had net losses, one can obtain the cumulative income distributions of Figure 3.2. Data indicate that slightly more than a quarter of all the self-employed had income of less than $20,000, that the median income was in the $30,000 to $35,000 range, and that close to 20% of all the self-employed had income of $80,000 or more. The distribution of income for the OASE was more concentrated at the lower end. More than a third of the OASE had income of less than $20,000, their median income was in the $25,000 to $30,000 range, and only 11% had income of $60,000 or more. The employers tended to have higher levels of income. Their income distribution was as follows: 14% had income of less than $20,000; the median income was in the $40,000 to $45,000 range, and around 20% had an income of $80,000 or more.[4]

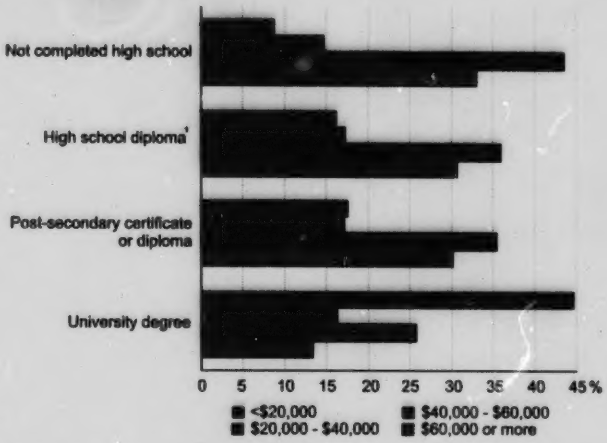
Figure 3.2 **Cumulated income distribution, excluding "net loss", by employer status**[1]



[1] In thousands of dollars. 10-15 should be read, from $10,000 (inclusively) to $15,000 (exclusively). For the OASE, estimates of the distribution of income above $80,000 are of unacceptable quality.

Prudence is required in the interpretation of the SSE income data because they appear to be at variance with published data from Statistics Canada (1997, table 9, page 28) or that are available in other published or unpublished sources. In the remainder of this report, the income distribution is presented in four segments: less than \$20,000, from \$20,000 (inclusively) to \$40,000, from \$40,000 (inclusively) to \$60,000, and \$60,000 (inclusively) or more.[5] Figure 3.3 shows that the more educated self-employed are more likely to be at higher income levels.

Figure 3.3 **Distribution of the self-employed by income levels, for four levels of education**



[1] Including some post-secondary education.

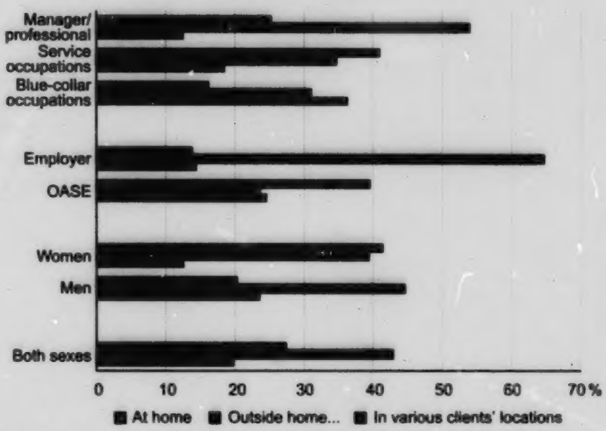
3.2 Work arrangements

Where the self-employed work

A majority of the self-employed work most of the time outside their home.[6] The largest group working away from home work in office spaces, stores or other such workspace that they own or rent. The next largest group work in various clients' locations, and a handful work in other specified locations or in an office or workspace provided to them by their clients. It remains that a sizeable minority of the self-employed work at home. Where the self-employed work tends to vary by sex, by group of occupations, and by employer status, as Figure 3.4 shows.

While women are only slightly less likely than men to work in an office or workspace they own or rent outside their home, they are much more likely than men to work at home and less likely to work from various clients' locations. The OASE are much less likely than employers to work in an outside location, and more likely to work from home. Likewise, one's place of work tends to vary according to occupation—with those in blue-collar occupations more likely to work from various clients' locations and those in service occupations more likely to work from home.

Figure 3.4 **Where the self-employed work**[1]



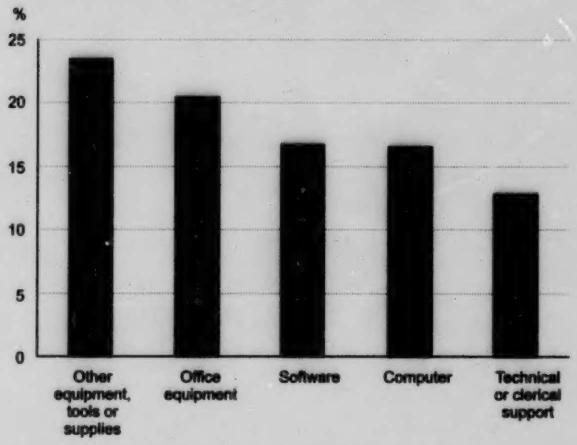
[1] Other locations are: in an office or workspace provided by clients, and "other."

These tendencies appear to be systematic, in the sense that the differences observed between two groups of individuals remain, even when one controls for either of the other two characteristics. For example, women are more likely than men, irrespective of their employer status, to work from home and less likely to work at various clients' locations. Whether female or male, the OASE are more likely to work at home and less likely to work from a location they own or rent outside their home. For the three groups of occupations, the OASE are more likely than employers to work from home and less likely to work from an office or other workspace, that they rent or own outside their home.[7]

Support provided by clients

The self-employed who work from various clients' locations (19.8% of the total) and from an office or workspace provided by the client (4.0% of the total) were asked whether they get some form of support from their customers, in the form of computer hardware or software, office equipment, other equipment, tools or supplies, or technical or clerical support. Approximately 40% of all those self-employed get some sort of support from their customers. Women are more likely than men to get such support, and the OASE are more likely than employers. Those in managerial and professional occupations are also more likely to get support than those in service occupations or in blue-collar occupations.[8]

Figure 3.5 **Proportion of the self-employed receiving different types of support from clients**[1]



[1] Questions asked to respondents who work in clients' locations or in workspace provided by clients.

If one considers the different forms of support separately, the most prevalent support is in the form of other equipment, tools or supplies. Around a quarter of the self-employed working in various clients' locations or in an office or workspace provided by clients receive these forms of support. Office equipment (fax machine, photocopier, etc.) is next, followed by computer and by software.[9] Finally, a few of the self-employed working in clients' locations or in a space provided by clients also receive technical or clerical support. When types of support are considered separately, few statistically significant differences are found according to sex (but the ones that do exist are relatively sizeable), and none according to the OASE/employer distinction.

Control over one's work and importance of former employer as client

Compared to employees, the circumstances of the self-employed are usually characterized as follows: they possess greater control over how they execute their work, they assume greater financial risk associated with their activity, and they enjoy greater economic independence from their ability to draw their business income from diversified sources.

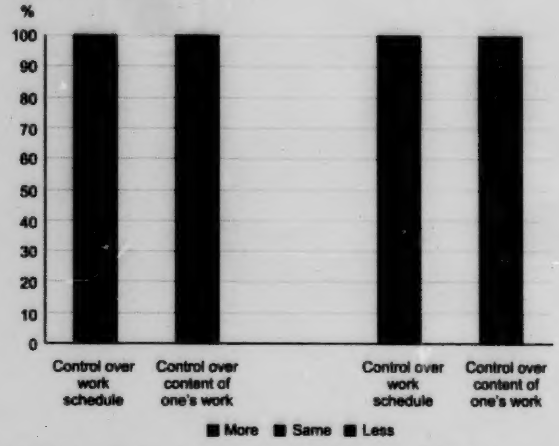
The level of autonomy exercised by the self-employed who have their former employer as clients is a subject of dispute. It is sometimes argued that self-employment may be more nominal than real in such cases, whereby seemingly an arm length's relationship has been established between employers and their former employees, but the self-employed workers find their autonomy and control over work as limited as when they were employees.[10] Moreover, if such self-employed workers obtain the lion's share of their revenue from their former employers, they may be economically dependent upon them.

The SSE contains a few questions to try to detect nominal self-employment. As it is difficult to evaluate the financial risk associated with the self-employed activity, this characteristic is left aside. Instead, the self-employed are asked to compare the extent of control over their work content and schedule they have, compared to when they were employees. [11] Nominal self-employment can be detected by comparing the answers of two groups of the self-employed. The first group consists of individuals with strong ties to a former employer, as they draw 50% or more of their present income from their business relation with a former employer and their present work for their former employer is similar to the work done as an employee. The second group consists of individuals who have weaker ties to a former employer, either because they draw less than 50% of their present income from that business relation, or their present work for their former employer is not similar to their previous work as an employee, or because they do not work for a former employer.

Close to half of the self-employed with strong ties to a former employer indicate that they have more control now over their work schedule than they had as employees, while almost as many indicate that they have the same control. (See the left-hand side of Figure 3.6.) Very few indicate that they have less control. Two-thirds of these individuals indicate that they have about the same level of control over the content of their work as they had as employees. Close to 30% indicate that they now have more control over content, and virtually nobody indicate that they have less.[12]

Among those with weaker ties to a former employer,[13] around 70% indicate that they now have more control over their work schedule, while a fifth indicate they have the same extent of control. (See the right-hand side of Figure 3.6.) Moreover, around 70% of them consider they have more control over the content of their work, while about a fifth consider they have the same extent of control.

Figure 3.6 **Extent of control over one's work schedule and the content of one's work, now as self-employed compared to when worked as an employee**[1]



[1] Left-hand side is for the self-employed with strong ties to former employer; right-hand side is for the comparison group.

3.3 Concluding remarks

The SSE confirms that the self-employed tend to work long hours, and that employers tend to work longer hours than the OASE. It also shows that employers are more likely than the OASE to have earned high income during 1999.

The SSE shows that most of the self-employed with weak ties to a former employer (those who are less likely to be economically dependent on a former employer) perceive that they have at least as much control over work schedule and work content now as they had as employees. The self-employed with stronger ties to a former employer (who could be economically dependent on their former employer) are less likely to indicate having more control over work schedule and content. Nevertheless, they do appear to be no more likely to indicate that they have less control over either dimension. It is difficult to state these results more than tentatively, as estimates related to the self-employed with strong ties to a former employer are based on very few observations. Some readers may then conclude that this would at least indicate that economic dependence on a former employer is a rare phenomenon. It is tempting to reach this conclusion, as the self-employed with strong ties to a former employer represent only about 1.5% of the self-employed (5.9% of the self-employed operating with written contract). However, there is little reason to think that the phenomenon of nominal self-employment is limited to individuals working for their former employer—or, for that matter, to individuals who ever worked as employees—or to the interaction of the notions of economic dependence and control over one's work, as the risk-bearing notion must also be taken into account. Different testing strategies need to be developed to explore the issue of nominal self-employment further.

Notes

[1] It is generally thought that risk and control are two defining characteristics of the self-employed. They bear the risk inherent in having their remuneration immediately tied to the fortunes of their enterprise. They also operate without direct supervision. Annex 5.A of OECD (2000) discusses these characteristics (See also Statistics Canada [1997, page 5.]) The legal definition of the self-employment status may be different.

[2] The concept of usual total hours worked at all job is used here. See the Labour Force Survey documentation for further details. In order to increase the comparability of the data, only those working at least 11 hours per week are used to compute the averages.

[3] See definition of income in the Box on pages 12-13. Precise annual income information could not be obtained in certain cases for two reasons. First, as annual income is required, the spell of self-employment must have started before February 1999. This requirement eliminates 459 observations, or 12.0% of the sample; for 16 of these 459 observations, the start date is unknown. Second, some respondents refused to state their exact level of income: 168 respondents refused to provide any income information, while a further 154 provided partial information only. Thus, the most detailed level of income information entails the loss of 322 observations, or 8.4% of the sample.

[4] Including the observations for which partial income information is available has little impact on the cumulative distribution of income.

[5] Income information is available at this level of detail for 1,512 observations for employers (86.7% of the 1,743 observations for employers), 1,650 observations for the OASE (78.7% of the 2,097 observations for the OASE), for a total of 3,162 observations (82.3% of the 3,840 observations in the shared file).

[6] Because of the nature of their work, those who farm or fish have not been asked the questions relating to their work arrangement. Moreover, because farming and fishing constitute the bulk of the occupations unique to primary industries, results for that group of occupations are not reported in this section of the report.

[7] An examination of the data at the occupation level may lead to other interpretations. Also, taking into account other variables could certainly have an impact. For example, women with children of pre-school age are more likely than other women to work at home; for men, the presence of a young child appears to have no statistical impact on where they work.

[8] The self-employed who work for a former employer are not statistically more likely to receive clients' support.

[9] Almost all those who are provided with a computer are also provided with software. The reverse is also true.

[10] OECD (2000) discusses the question of the relative autonomy of the self-employed, in light of the greater autonomy that employees may have acquired in recent years.

[11] Considering only the self-employed who work on a contract basis eliminates most of the self-employed who work for a great number of customers (restaurant owners, hairdressers, etc.).

[12] This subgroup of the population represents about 1.5% of the self-employed (close to 6% of those working under contract). Given the limited sample set, it is impossible to establish whether increased (similar) control over one's work schedule tends to be accompanied by increased (similar) control over the content of one's work. Moreover, statistically, all the estimates derived here are of unacceptable quality.

[13] This much larger group represents close to 25% of the self-employed.

Work Experience and Attitude of the Self-Employed

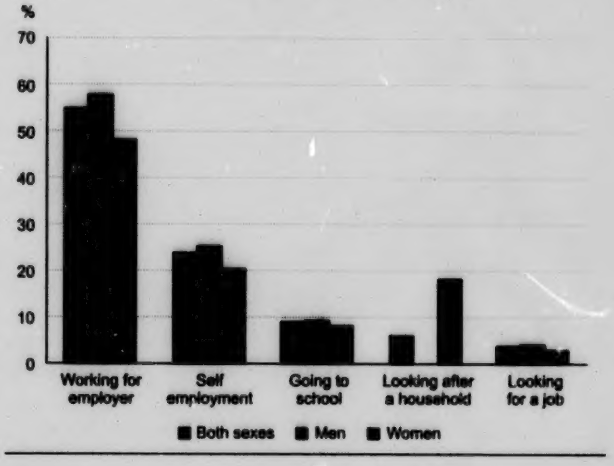
The transition into self-employment is a question of great interest. Understanding the circumstances of this transition helps in determining to what extent the self-employed become so voluntarily. It may also help in determining whether the share of self-employment in total employment will continue growing in the future.

Results of the Survey of Self-Employment (SSE) that are presented in the first section of this chapter complement the abundant literature on the transition into self-employment.[1] The picture provided is partial, as the survey gives information on the circumstances of the entry of those who were self-employed at the time of the survey, but no information on the circumstances of those who had exited from self-employment. The second section of this chapter completes the picture of the self-employed by looking at the motivations of the self-employed and their likes and dislikes about their employment status.

4.1 Previous work experience

Figure 4.1 shows that the majority of the self-employed were in the labour force, as a "main activity," during the twelve months that preceded their self-employment. In fact, fewer than 20% of the self-employed had out-of-the-labour-force main activities during those twelve months; most were going to school. Among those who were in the labour force, a majority worked for an employer. More than 20% of the self-employed had some other form of self-employment as a main activity during the period prior to the beginning of the reported spell. Few were unemployed.

Figure 4.1 **Main activity during the 12-month period before the start of current self-employment**



A much larger fraction of women than of men were out of the labour force during those months. About 30% of women were out-of-the-labour force, with 8.1% going to school and close to 20% looking after the household. While the proportion going to school is similar for men (9.4%), a negligible number of men were looking after the household. Men were more likely than women to be self-employed and to be working for an employer during those twelve months.

Some differences in main activity preceding the most recent self-employment spell are notable across groups of occupations. The self-employed in service occupations—the only group in which women predominate—were quite likely to be looking after the household; those in occupations unique to primary industries were more likely to be at school, while individuals in blue-collar occupations had the highest labour force participation rate.

Around 70% of the self-employed who were employees in the twelve months preceding their current self-employment spell had stopped working for their employer before the spell began. This rate is the same for men and women as well as for the self-employed of different tenure lengths. It is higher among those in the managerial and professional occupations, and is lower for those with occupations unique to primary industries.

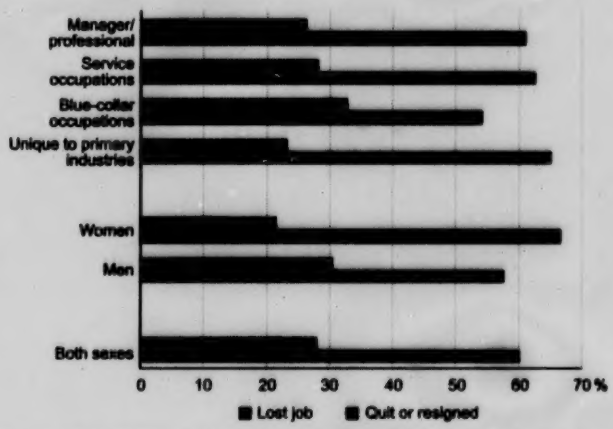
Among those whose previous employment relationship came to an end before they became self-employed, around 60% quit or resigned from their job. In slightly less than 30% of the cases, workers had lost their job; few had retired, and some simply decided to become self-employed. Men are more likely than women to have lost their job; losing one's job is also more common for those in blue-collar occupations.

A small proportion of individuals who were previously employed received a severance package (13.5%). Among the self-employed who received a severance package, 38.8% indicate that the money helped them to start up their current self-employment.

4.2 Attitude towards self-employment

Other surveys tend to show that the self-employed are happier than employees (Blanchflower and Oswald [1998]; OECD [2000]).[2] Some studies, such as Hamilton (2000), indicate that the earnings of the self-employed, in present value terms or otherwise, are lower than what they could expect to earn as wage and salary workers. Such results suggest that no single objective fact would be sufficient in determining whether the self-employed are better off in their present state than they would be as wage and salary workers.

Figure 4.2 **How previous employment ended**[1]



[1] Other possible answers are: 1) Retire, 2) Other, 3) Other, became self-employed.

The SSE contains questions that explore how individuals perceive the advantages and disadvantages of their self-employment status. These questions are complemented by two questions asking for explicit comparisons at specific points in time between self-employment and wage and salary work. Information about the relative ease of maintaining a balance between work and family life as a self-employed, compared to the last time one was an employee, is also available.

Reasons for having become self-employed

In the SSE, the self-employed are asked the following question, "Did you become self-employed because you could not find suitable paid employment?" This question clearly relates to whether one was "pushed" by adverse circumstances into becoming self-employed. According to this interpretation, 21.8% of the self-employed felt pushed.

The other 78.2% of all self-employed are asked what was the main reason they voluntarily became self-employed. As Table 4.1 illustrates, there are significant differences between the OASE and employers as well as between men and women, in the main reason for having become self-employed.[3]

TABLE 4.1

Main reason one became self-employed[1]

		Employer status			
	All self-employed	OASE	Employer	Men	Women
Independence, freedom, own boss	36.3	35.1	37.5	42.1	24.0
Control, responsibility, decision making	7.4	5.7	9.1	8.7	4.6*
Challenge, creativity, success, satisfaction	9.8	7.9	11.8	9.7	10.1
Flexible hours	6.9	9.6	4.2*	5.3	10.2
Balance of work and family	5.4	7.7	3.0*	1.7*	13.2
More money, unlimited income	7.5	6.8	8.2	8.6	5.2*
Nature of the job	6.4	6.8	6.0	5.8	7.8
Joined or took over family business	9.3	6.8	11.8	9.5	8.8

[1] All respondents who did not become self-employed for lack of suitable paid employment were asked to identify the main reason they became self-employed instead of working for an employer.

When both sexes are considered, "entrepreneurial values," such as being one's own boss, the control over decision making and the challenge associated with being self-employed are the main reasons offered for having voluntarily become self-employed. Taking over the family business and getting an opportunity to make more money also matter. "Time-related" reasons, such as having flexible hours, balancing work and family life, and working from home appear secondary, overall.

While employers and the OASE most commonly mention factors linked to entrepreneurial values as the main reason for having become self-employed, a sizeable minority of the OASE mention time-related reasons, while few employers do so.

Similarly, among both men and women, entrepreneurial values are most commonly mentioned. However, women are more likely than men to mention time-related reasons; in fact, relatively few men mention these reasons.

Comparisons with the 1995 Survey of Work Arrangements

The Survey of Work Arrangements of 1995 (SWA-1995) provides some elements for comparison with the Survey of Self-Employment (SSE) data relating to motivations of the self-employed.[^] When asked the main reason one is self-employed—note the present tense —the most commonly provided answer is that one enjoys the independence it provides. Next come taking over the family business, an inability to find paid work (no other work is available), and a desire to make more money. The proportion of the self-employed who answer that no other work is available is similar to the proportion of the "involuntary" self-employed in the SSE. In both surveys, men are as likely as women to offer this reason. Enjoying the independence that self-employment provides is the main reason cited in the SWA-1995, corresponding well with the primacy of entrepreneurial values noted for the SSE. That men are more likely than women to cite these values is also comparable.

On the contrary, that taking over the family business is the main reason for being self-employed for many individuals in the SWA-1995 is quite at variance with the results in the SSE. In the SSE, only 9.3% of those who entered self-employment voluntarily did so to take over the family business. Given that 78.2% of all self-employed in SSE entered voluntarily, the percentage found in the SWA-1995 (17.1%) is more than twice as high.

Time-related reasons, such as the flexibility and the ability to work from home self-employment provides, appear to be less prevalent in the SWA-1995 than in the SSE. In both surveys, women more commonly mentioned these reasons than men.

Distribution by main reasons for self-employment. The Survey of Work Arrangements, 1995

Question: What is the main reason you are self-employed?

		Employer status			
	All respondents	OASE	Employer	Men	Women
Enjoys independence	41.8	37.2	48.7	47.0	31.5
Family business	17.1	13.9	21.8	17.3	16.7
No other work available	12.0	15.4	6.9	11.3	13.3
Wanted to make more money	9.6	9.8	9.1	9.5	9.7
Flexible schedule	6.0	7.5	3.6*	4.4	9.2
Work from home	5.6	8.3	1.6*	2.0*	12.6
Other	4.4	4.3	4.5*	4.9	3.4*
Nature of the job	3.5	3.5	3.6*	3.6	3.5*

* Estimate of marginal quality.

[^] The SWA-1995 differs from the SSE in that around 50% of the interviews were conducted on a proxy basis. For the SSE, only the LFS part of the questionnaire has been conducted through a proxy, in some cases; in all cases, the SSE part of the questionnaire was conducted on a non-proxy basis.

The Survey of Work Arrangements, a Labour Force Survey supplement, was conducted in November 1995. See Statistics Canada (1998). Lipsett and Reesor (1997) contain an analysis of SWA data as it relates to self-employed.

Possibility of exiting from self-employment

In the SSE, the self-employed are asked a second question about the nature of a transition, but this time it is purely hypothetical. The question is, "If instead of self-employment, you could get a paid-job, at the going wage or salary rate for someone with your experience and education, would you accept it, yes or no?"[4] In essence, the self-employed are asked how, after the self-employment status has gone on for some time, it compares to being a paid employee. Among other things, the question allows one to see whether the self-employed have grown to liking or disliking their status, irrespective of what motivated them to become self-employed.[5] A sizeable minority of around 30% of the self-employed indicate that they would have taken a paid-job, at the going rate, at the time of the survey. In summary, close to 80% of the self-employed were not "pushed" into self-employment, and about 70% expressed no desire, at the time of the survey, to leave self-employment for paid-work.

Definition of the concept of "attitude"

Taken together, the two questions relating to transitions into and out of self-employment can be used to divide the self-employed into four categories.

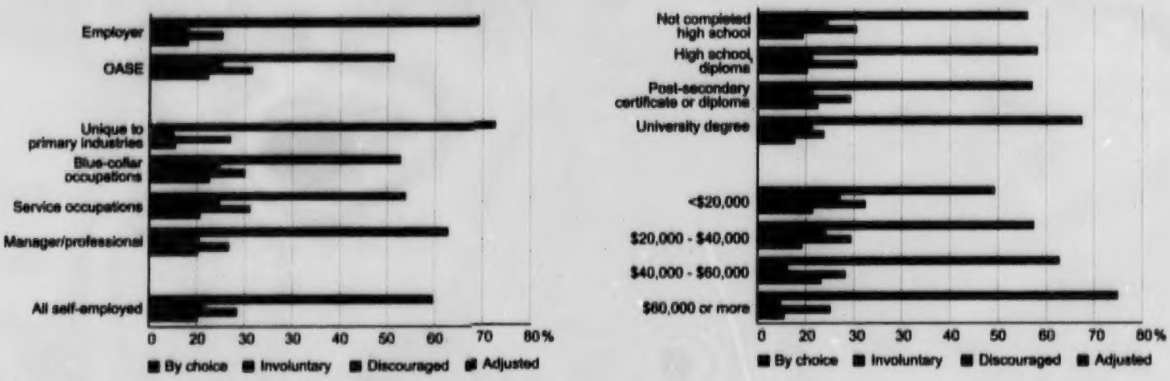
- *Self-employed by choice*: those answering both questions negatively.
- *Involuntary self-employed*: those answering both questions positively.
- *Discouraged self-employed*: those who did not become self-employed for lack of a suitable paid-job but would presently accept the opportunity of paid employment at the going rate.
- *Adjusted self-employed*: those who became self-employed for lack of suitable paid employment but would presently turn down a paid-job at the going rate.

These categories summarize what is here called the "attitude" of the self-employed towards their status.

Figure 4.3 shows that the majority of self-employed workers are in this status "by choice." A sizeable minority are "discouraged," and there are about as many "involuntary" self-employed workers as "adjusted." Figure 4.3 further shows that the attitude towards self-employment differs markedly between the OASE and employers. Fewer of the OASE entered self-employment voluntarily and a larger proportion would have been willing, at the time of the survey, to accept paid employment. Individuals in occupations unique to primary industries, and in managerial and professional occupations are more likely to be self-employed "by choice"; individuals in occupations unique to primary industries are unlikely to be either "involuntary" or "adjusted" self-employed: only 10% became self-employed because of a lack of suitable paid employment.

How does attitude differ according to the sex, tenure length, income, and education of the self-employed? The distribution is statistically identical for men and women. Within each group of occupations, there is no difference in attitude towards self-employment between men and women. As tenure increases, a larger proportion of the self-employed state that they are in that state "by choice." Beyond ten years of tenure, the "involuntary" self-employed represent a diminishing proportion. That individuals with longer tenure are more likely to be self-employed "by choice" may be interpreted as indicating that self-selection takes place over time, with those who do not really like self-employment exiting.[6] At successively higher income levels, the proportion of the self-employed that are so "by choice" increases, while the percentages of the "involuntary" and "discouraged" self-employed decrease. The self-employed with university degrees are more likely to be self-employed "by choice," whereas little differences are apparent at other education levels.

Figure 4.3 **Attitude towards self-employment, according to various characteristics**



¹ Including some post-secondary education.

Finally, the SSE shows that individuals who started their self-employment spell at the age of 40 or after are less likely to be self-employed "by choice," and more likely to be "involuntarily" self-employed. Those who started their current self-employment spell before the age of 30 seem more likely to be self-employed "by choice."

Previous work experience and attitude towards self-employment

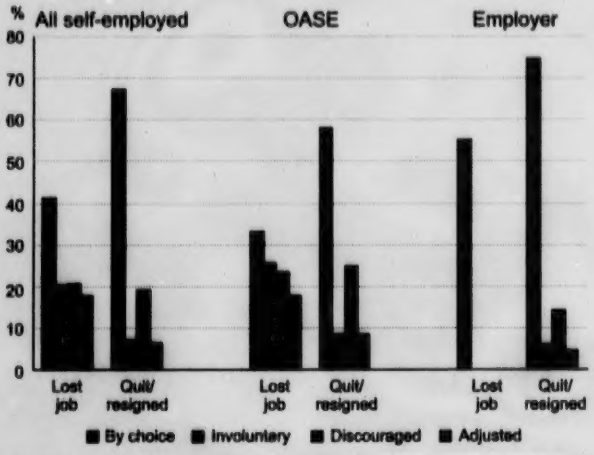
The attitude towards self-employment differs markedly between those who lost their previous paid work and those who quit or resigned. Compared to individuals who lost their previous job, proportionally fewer of those who quit or resigned are among the "involuntary" or "adjusted" self-employed, more are self-employed "by choice," and about the same proportion are "discouraged" self-employed workers.

As Figure 4.4 shows, the self-employed who quit or resigned from their previous employment before the beginning of their self-employment spell are more likely to have a positive attitude towards self-employment than those who lost their job. Whether they lost their job or they quit or resigned, employers are more likely than the OASE to be self-employed "by choice," and less likely to be among the "involuntary" or "discouraged" self-employed.

Advantages associated with being self-employed

Survey participants were asked to state what they like about being self-employed. The advantages that get the most agreement are the independence and freedom associated with being self-employed (the only one agreed to by a majority of the self-employed), having flexible hours, having control over decision making, and the challenge that being self-employed represents.

Figure 4.4 **Attitude towards self-employment according to the way previous employment ended¹**



¹ For the self-employed whose work for employer had ended when they became self-employed.

Answers provided by women and men differ in a systematic manner. Women show a stronger concern for time-related advantages: a larger proportion of them state to enjoy the flexible hours, the possibility of better balancing work and family life, and the ability to work from home. On the other hand, a larger proportion of men seem to like advantages linked to entrepreneurial values and, also, the possibility of making more money.

The survey also asks what individuals like *the most* about being self-employed.[7] Table 4.2 shows the most commonly cited main advantages. Overall, entrepreneurial values dominate, with the independence and freedom being one's own boss entails the most commonly cited main advantage, followed by the challenge of being self-employed, and the control it gives over decision-making. Having flexible hours also matters most for a large proportion of the self-employed. Other advantages are perceived as most liked by relatively few individuals.

TABLE 4.2

Aspect of self-employment that is most liked by the self-employed, in percentages[1]

				Groups of occupations[2]			
	Both sexes	Men	Women	1	2	3	4
Independence, freedom, etc.	41.4	47.7	28.1	39.9	32.9	47.2	54.7
Control, decision making	10.3	11.3	8.1	13.1	6.4*	9.8	9.7*
Challenge, creativity, etc.	13.7	13.9	13.3	17.4	11.0	12.4	8.6*
Flexible hours	13.7	12.2	17.0	13.8	16.8	13.7	6.9*
Balalance of work and family	6.3	3.4	12.4	4.8	10.6	&	8.8*
Work from home	4.5	1.1*	11.5	2.8*	9.4	&	4.3*

	Employer status		Attitude towards self-employment			
	OASE	Employer	By choice	Involuntary	Discouraged	Adjusted
Independence, freedom, etc.	39.5	43.7	44.0	28.3	38.8	42.4
Control, etc.	7.9	13.2	11.0	&	12.5	&
Challenge, etc.	9.9	18.1	14.0	12.8*	12.7	15.2*
Flexible hours	16.8	10.2	12.1	18.7	15.3	16.2*
Balance of work and family	7.9	4.4	6.2	7.8*	6.2*	&
Work from home	6.6	2.0*				

[1] For all respondents; computed from answers to questions ms_q4 and all ms_q3 (unique answers).

[2] 1, manager/professional occupations; 2, service occupations; 3, blue-collar occupations; 4, occupations unique to primary industries.

* Estimate of marginal quality.

& Estimate of unacceptable quality, data suppressed.

Compared to the OASE, employers are more likely to state that entrepreneurial values are what matter the most for them, and are less likely to appreciate time-related advantages the most. While being one's own boss is the most-commonly cited main advantage by both men and women, it is less prevalent among women. Also, a larger proportion of women mention time-related advantages as what they like most.

Those with occupations unique to primary industries are more likely to state that being one's own boss is the main advantage of being self-employed. Those in service occupations, the only group dominated by women, tend to mention time-related advantages more often, while those in managerial and professional occupations choose entrepreneurial values more often.

When the attitude towards self-employment is considered, interesting patterns emerge. Those who did not become self-employed for lack of suitable paid employment (the "by choice" and "discouraged" self-employed) are less likely to mention that having flexible hours is what they like most about being self-employed, and they are more likely to mention control over decision making. The "involuntary" self-employed are the most likely to state that having flexible hours is what they like most. Also, the self-employed who would have turned down paid employment at the time of the survey (the "by choice" and "adjusted" self-employed) are more likely to mention the freedom of being one's own boss and the challenge of being self-employed as what they like most.

Disadvantages associated with being self-employed

The SSE also asked which aspects of self-employment are disliked. The disadvantages that are perceived by the greater number of the self-employed are the uncertainty or lack of stability, the long hours and lack of time off, the income fluctuations and cash flow problems, the lack of benefits, the stress, and the tasks related to running the business. Men and women tend to mention in similar proportion the most commonly agreed upon disadvantages, but they differ on in their likelihood of mentioning a few others, none of which is mentioned by more than a fifth of the self-employed. Women are more likely than men to declare a dislike for having a low income, having a lack of benefits, and working alone or in isolation. Men are more likely than women to dislike the tax burden.

When asked what they dislike *the most* about being self-employed,[8] both men and women most often cite the uncertainty and insecurity, the long work hours, and the fluctuations of income, as Table 4.3 shows. Other notable dislikes are the stress and the lack of benefits associated with being self-employed. Other disadvantages are perceived as most disliked by relatively few individuals.

TABLE 4.3

Aspect of self-employment that is most disliked by the self-employed, in percentages[1]

				Groups of occupations[2]			
	Both sexes	Men	Women	1	2	3	4
Uncertainty, insecurity	21.9	22.4	20.9	21.3	22.8	22.6	21.3
Long hours, no time off	15.0	14.2	16.6	15.4	13.5	12.9	20.4
Income fluctuations, cash flow problems	12.1	12.3	11.7	10.7	11.1	12.1	19.1
Lack of benefits	7.1	5.8	9.9	6.2	11.0	5.6*	4.8*
Stress	7.4	7.6	6.9	7.1	7.3	9.4	5.1*

	Employer status		Attitude towards self-employment			
	OASE	Employer	By choice	Involuntary	Discouraged	Adjusted
Uncertainty, insecurity	24.8	18.6	19.0	31.0	24.0	25.1
Long hours, no time off	11.2	19.5	16.8	7.8*	16.6	10.3*
Income fluctuations, cash flow problems	14.8	9.0	11.0	15.5	11.5	14.4*
Lack of benefits	9.7	4.1*	5.7	9.9*	8.0*	&
Stress	5.2	9.9	8.7	&	6.7	&

[1] For all respondents; computed from questions ms_q6 and all ms_q5 (unique answers).

[2] 1, manager/professional occupations; 2, service occupations; 3, blue-collar occupations; 4, occupations unique to primary industries.

* Estimate of marginal quality.

& Estimate of unacceptable quality, data suppressed.

There are proportionally more of the OASE than employers for whom the irregularity of the work flow and of the cash flow are the most disliked aspects of self-employment. A larger proportion of the employer cites long work hours and stress as what they disliked most.

The ranking of these most disliked aspects also varies according to the attitude towards self-employment. Those who are self-employed "by choice" are less likely to consider the uncertainty and insecurity inherent in self-employment as the main disadvantage; on the other hand, they are more likely to mention stress. The self-employed "by choice" are also more likely to state that there is nothing they dislike about being self-employed. Almost a third of the "involuntary" self-employed dislike the uncertainty the most, but few mention the long hours.

Those with occupations unique to primary industries are more likely to mention the long hours and the income fluctuations as disadvantages of self-employment than are those in other groups of occupations.

Achieving work and family balance

Those who began their self-employment spell in 1995 or later, and had been before employees[9] were asked whether being self-employed, instead of an employee, makes balancing work and family life more or less difficult. It can be seen in Figure 4.5 that employers find achieving this balance more difficult, while the OASE find it less difficult.

Men and women provide distinctly different answers to this question. Proportionally, many more women state that achieving a balance between work and family life is less difficult as a self-employed worker, and fewer state that it is more difficult. Among women, the attitude towards self-employment and the assessment of the relative difficulty of achieving a balance between work and family life are clearly correlated. Compared to the "involuntary" or "discouraged" self-employed, women self-employed "by choice" or that have "adjusted" to it tend to find it less difficult to achieve this balance. For men, there is no statistically significant difference according to the attitude towards self-employment.

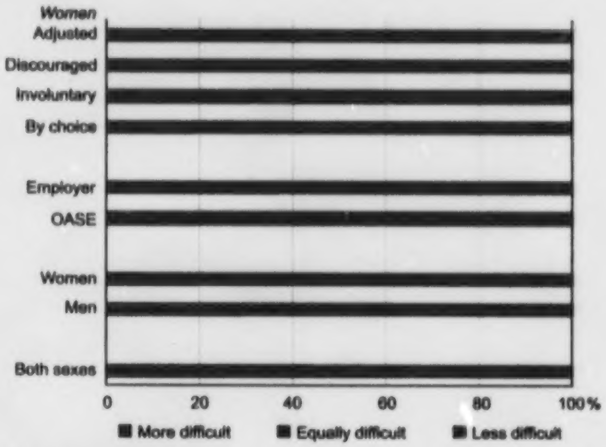
For most age groups (all but the individuals aged 60 to 69), women are more likely than men to state that being self-employed makes balancing work and family life less difficult. Moreover, older men and women are more likely than younger ones to indicate that being self-employed makes achieving a balance less difficult.[10]

4.3 Concluding remarks

The SSE indicates that the attitude displayed towards self-employment is strongly correlated with the manner in which the previous employment ended before the current spell of self-employment.

A further interpretation of these survey results is that a majority voluntarily chose to become self-employed and that most are quite content to remain so. This is most notable among employers, among whom more than 75% are either self-employed "by choice" (69.0%) or "adjusted" to it (7.9%). The survey also shows, however, that a sizeable minority would have accepted paid employment at the time of the survey, most notably among the OASE (slightly more than one out of three of them). It is also seen that individuals with long tenure are more likely to be self-employed "by choice."

Figure 4.5 **Proportion who find it more or less difficult to achieve a work and family-life balance, as compared to when they were employees**[1]



[1] For the self-employed whose self-employment spell started in 1995 or later and who had worked as employee.

It has been mentioned that the extent of control and risk are often seen as defining characteristics of self-employment. This survey shows that entrepreneurial reasons—which correspond well with the notion of extensive control over one's work—are the most frequently cited main advantages of self-employment. The flip side of being an entrepreneur—the uncertainty and insecurity it entails, the fluctuations of income (both risk notions), and the long work hours—are the most commonly cited disadvantages of the self-employment state.

Future analysis of the data presented in this chapter will certainly lead to a finer understanding of the motivation of the self-employed. Consider only individuals who voluntarily became self-employed (almost 80% of the total). Around 7.2% of them declare that the main reason they became self-employed was to take over the family business; 34.0% of the voluntarily self-employed farmers[11] give this reason. Similarly, around 6.8% of the voluntarily self-employed declare that the main reason they became self-employed was to obtain a better work and family-life balance or to work from home; 46.9% of the voluntary childcare and home support workers give one of these two reasons.

Notes

[1] Gauthier and Roy (1997) analyze, from a macro-economic point of view, how the share of self-employment in total Canadian employment has grown over the 1990s. Lin et al. (1999) and Lin et al. (2000) are examples of the analysis of transition into and out of self-employment in Canada. Le (1999) also surveys this literature.

[2] Some survey evidence would indicate that there is also a high level of latent desire for self-employment among employees and in the population in general. See Blanchflower and Oswald (1998), Blanchflower et al. (2000), OECD (2000). Only Blanchflower et al. present data for Canada. One study indicates that individuals may not act on their desire to become self-employed because they lack capital (Blanchflower and Oswald [1998]); another study suggests that the role-model provided by successfully self-employed parents may have a larger influence on the probability that men become self-employed than capital availability (Dunn and Holtz-Eakin [2000]).

[3] Table C.4 in Appendix C presents the main reasons mentioned, and how the proportions of these vary by occupations group, tenure length, and income level.

[4] In the questionnaire, this hypothetical question comes after questions on the advantages and disadvantages of being self-employed. While not being as encompassing in spirit as the question discussed by Blanchflower and Oswald (1998; page 46, "Taking everything into consideration, how satisfied or dissatisfied are you with your job as a whole?"), it is quite possible that a review of the advantages and disadvantages of being self-employed leads one to make global comparisons. These comparisons could then be assimilated into a judgement on the global utility derived by the respondent from the two labour force states.

[5] Admittedly, whether one would accept paid employment may be sensitive to short-term fluctuations affecting one's industry or enterprise.

[6] This survey result may also be interpreted as indicating that those who became self-employed during the 1990s are different from previous cohorts of self-employed workers, possibly because they faced a more difficult labour market.

[7] This question is asked only of those who mention more than one aspect that they like about being self-employed. The percentages presented here represent all the self-employed: the sum of factors most liked and single answers were computed.

[8] Here again, the sum of most disliked aspects, for those who provided multiple answers, and of unique answers were computed.

[9] The question was asked of respondents who started their self-employment spell in 1995 or later, who had the experience of working for an employer but who did not work for any employer at the time of the survey.

[10] Data also show that both men and women working short workweek are more likely than those working long workweek to find it easier to achieve a work and family-life balance. Because it is not known how long they usually worked when they were employees, it is not possible to attribute the greater ease presently experienced either to fewer hours worked or to being self-employed.

[11] More precisely, individuals in occupations unique to agriculture, excluding labourers.

Training Behaviour of the Self-Employed

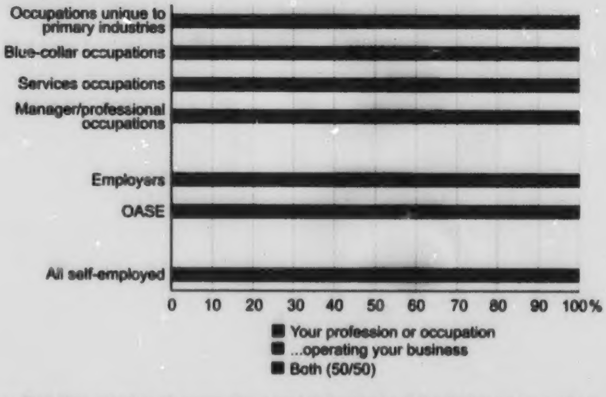
Skill development is a determining factor of a country's productivity growth. For individuals, skill development influences their labour force participation and their relative economic success. Relatively little is known about the training behaviour of the self-employed. What *is* known is that their participation rate in formal training is lower than that of wage and salary workers.[1] A comparison of results from the Survey of Self-Employment (SSE) and Adult Education and Training Survey of 1998 (AETS-1998) tends to confirm this.

The SSE provides an interesting description of training behaviour among the self-employed. The usual questions about formal training participation and obstacles to participation are complemented with questions on informal training practices. These questions are on the relative usefulness of the two types of training, on advantages one may have over the other, and on the nature of one's training needs at the time of the survey. Together, the responses offer a rich picture of the training behaviour of the self-employed in Canada.[2]

5.1 Training among the self-employed

The SSE shows that the self-employed are very likely to have trained either formally or informally during the reference period. It is found that the training participation rate is close to 80% during the twelve-month period preceding the survey.

Figure 5.1 **Nature of most training needs of the self-employed**[1]



[1] Question asked to all respondents except those who did not take any training nor wanted to take any formal training. Categories were read to respondents.

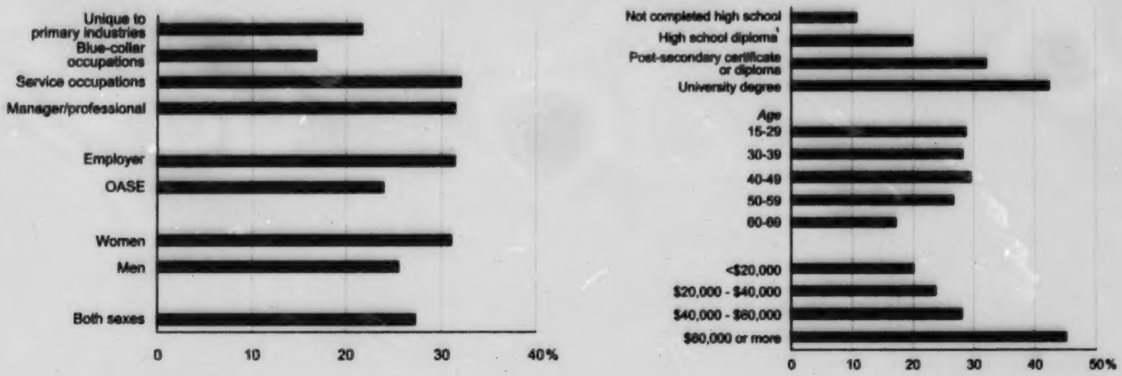
The self-employed have broad training needs, which may explain their high participation rate: in addition to improving their occupation-related skills, they need to develop the skills required to run a business. When asked about the nature of most of their training needs, around 45% of the self-employed who trained during the reference period state that they are occupation-related, 17% state that they are related to operating a business, while 37% state that both types of training are equally needed.

There appears to be no difference between men and women in the distribution of training needs. Figure 5.1 shows that the OASE are more likely to indicate that most of their training needs are occupation-related. A large proportion of employers indicate that both types of training are as needed. The self-employed in service occupations are more likely to say that most of their needs are occupation-related. More than half of the self-employed in occupations unique to primary industries state that both are equally necessary. It is further found that occupation-related training matters more for those with higher education levels, while no very clear pattern appears according to tenure.

5.2 Participation in formal training

A common way to acquire and improve on skills is by undertaking formal training. The survey results indicate that around a quarter of the self-employed had taken formal, work-related training during the twelve-month period preceding the survey. As Figure 5.2 shows, employers are more likely than the OASE to have taken formal training during the reference period.[3] Older self-employed workers—60 to 69 years of age—are less likely to have taken formal training, and no strong differences appear among the younger age subgroups. The self-employed with higher education levels are more likely to have taken formal training.

Figure 5.2 **Participation rate in work-related formal training during previous 12 months**



[1] Including some post-secondary education.

The proportion of individuals who have taken formal training during the reference period increases among those at higher-income levels, the difference being especially marked for those earning $60,000 or more per year. Individuals in blue-collar occupations and in occupations unique to primary industries are less likely to have taken formal training.

Women are more likely than men to have taken formal training. Among university graduates, women are significantly more likely than men to have taken training. However, within each group of occupations, no differences between men and women appear in formal training take-up rate. Thus, it is possible that composition effects explain the different training rates of men and women.

Formal training in the Adult Education and Training Survey of 1998

A comparison of data from the SSE and the Adult Education and Training Survey (AETS-1998) tends to indicate that the self-employed are less likely than employees to undertake formal training.[A] According to the AETS-1998, 32.1% of employees trained formally during the reference period, which is higher than the participation rate of 27.3% obtained in the SSE.[B] In the AETS-1998, private-sector employees have a participation rate of 29.2%; the gap in participation rate is almost halved. As among the self-employed in the SSE, the AETS-1998 shows that female employees (33.6%) are more likely than male employees (30.8%) to have trained formally.

Comparisons across surveys should be interpreted with care. Among the self-employed, the formal training participation in the AETS-1998 differs notably from the one obtained in the SSE. In the AETS-1998, the participation rate is 19.1%, compared to 27.3% in the SSE. This difference appears too large to be explained by sampling errors. Slight variations in the composition of the sample may explain part of the observed gap. For example, the AETS-1998 includes a smaller proportion of incorporated self-employed employers than the SSE and a larger percentage of the unincorporated own account self-employed. The former category has the highest formal training participation rate, while the latter has the lowest. Also, the questions are stated somewhat differently in the two surveys, which themselves are rather different. These differences may also contribute to the gap. The reference year differs in the two surveys and participation may be sensitive to the business cycle. However, other statistics relating to training are generally similar in the two surveys.

Finally, note that recent multivariate analysis of the AETS-1998 show that the participation rate of the self-employed is not statistically different from the participation rate of employees when other individuals' characteristics are accounted for, even though the raw participation rates differ notably.[C]

Notes:

[A] To increase the comparability between the two datasets, statistics relating to the AETS-1998 are computed after the imposition of some restrictions on sample selection. These restrictions are: 1) Respondents older than 69 years of age are eliminated. 2) Respondents who are full-time students are eliminated. 3) Respondents are employed, either at work or absent from work. 4) Respondents work at least 11 hours ("usual total weekly hours" concept). 5) Only training related to a current or future job is included; the participation rates are computed using the variable REASON1.

[B] It is well known that training participation rates are higher among younger employees and that the self-employed as a whole are older than employees. Constraining the age distribution among employees (from the AETS-1998) to be the same as among the self-employed (from the SSE), reduces the participation rate from 32.1% to 29.7%, halving the difference in participation rates.

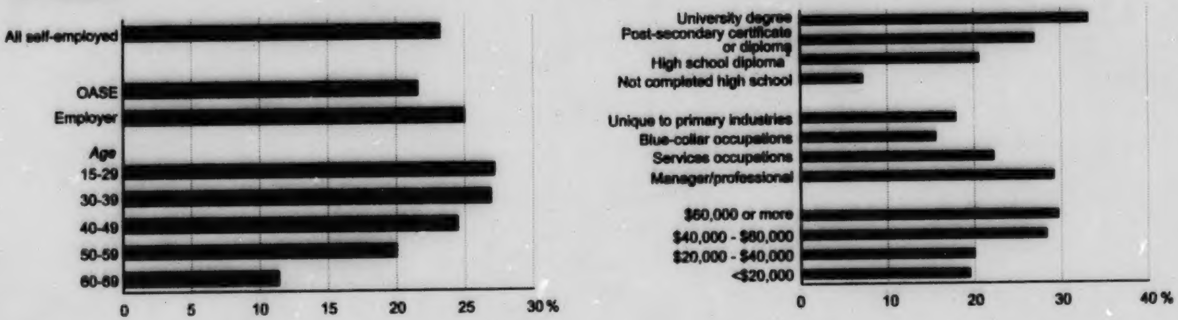
[C] See Léonard (2001).

5.3 Obstacles to formal training

The SSE allows one to determine whether there was any formal training or education related to one's work that the self-employed wanted to take but did not during the reference period (the twelve months preceding the survey). The SSE also indicates which obstacles would have prevented some self-employed from training formally.

About a quarter of all the self-employed answer that they did not take all the wanted formal training. This proportion is the same among men and women. Employers are more likely than the OASE to have forgone formal training. Older self-employed, of 60 to 69 years of age, are less likely to indicate so.

Figure 5.3 Proportion of the self-employed not having taken desired formal training during previous 12 months[1]



[1] Question asked to all respondents; for work-related formal training only.

[2] Including some post-secondary education.

The more educated self-employed are more likely to have encountered obstacles to training; the self-employed at higher income levels are also more likely to have met with obstacles. This proportion also varies systematically by group of occupations. Those in managerial and professional occupations are the most likely to have forgone training, while those in blue-collar occupations are the least likely.

Participation rates in formal training and the proportion of the self-employed who faced obstacles tend to vary in a similar way according to employer status, across groups of occupations and income and education levels. However, while men and women tend to have different participation rates in formal training, there does not appear to be a difference by sex in the proportion who did not take wanted formal training.

There is also considerable overlap between the self-employed who trained during the reference period and those who encountered obstacles to training during the same period. Around 40% of those who took formal training would have liked to have further formal training, while only 16.8% of those who did not train formally indicate that some obstacles prevented them from doing so. Thus, overall, about 60% of the self-employed did not take formal training and did not express a desire to do so, and 16% had all the formal training they wanted. Of the remainder 23.2%, close to half (10.9%) would have liked to take more formal training, while the rest (12.2%) faced obstacles that prevented them from taking any formal training.

Obstacles to formal training in the Adult Education and Training Survey of 1998

It is difficult precisely to compare the incidence of wanted training not taken in the Adult Education and Training Survey of 1998 (AETS-1998) and the SSE, as the question statements differ somewhat.[A] For the SSE, the question is, "In the past 12 months, was there any formal training or education related to your work that you wanted to take but did not?" In the AETS-1998, the closest question is, "At any time during 1997, were there any job-related, hobby, recreational or interest courses you wanted to take but did not?" The latter question may lead to a higher rate of positive answers, as hobby and recreational or interest courses are included.[B]

According to the AETS-1998 question, the proportion of employees who did not take the wanted formal training is somewhat lower than it is for the self-employed in the SSE. Among employees, women are more likely than men to answer positively, while there is no difference in the SSE.

Obstacles encountered by employees, according to the AETS-1998, are rather similar to the ones mentioned in the SSE. As in the SSE, the obstacle most commonly mentioned is that one lacks the time to train (or, one is too busy at work). The second most commonly cited obstacle is that the wanted training is offered at an inconvenient time or location; the third is that one finds the training too expensive (or, one does not have the money for it).

However, other obstacles mentioned by employees in the AETS-1998 appear to matter less in the SSE. More than a fifth of AETS-1998 employees mention being prevented from taking the training by other family responsibilities (other than childcare), compared to 4% in the SSE, and 9.6% mention a lack of childcare, compared to 2.5% in the SSE.[C]

While there is no difference in the proportion of men and women citing other family responsibilities in the SSE, many more women than men state this reason in the AETS-1998. Women are also more likely to mention the lack of childcare in the AETS-1998 than in the SSE. Finally, in both surveys, women are more likely than men to state that they did not take some training because it was too expensive.

Notes:

[A] Statistics relating to the AETS-1998 are computed after the imposition of the first four restrictions enumerated in note *A*, page 37.

[B] The other related question in the AETS-1998 leads to a much lower rate of positive answers, probably because of the stated necessity of the training: "At any time during 1997, was there any training or education that you *needed* to take for job-related or career reasons but did not?"

[C] The age distribution of the two populations might be the source of these different rates, but differences in procedures may also matter. In AETS-1998, respondents were explicitly asked whether factors (for example, a lack of childcare) constitute an obstacle to training. In the SSE, respondents were not prompted by an explicit enumeration of possible obstacles, but merely asked to name obstacles they encountered.

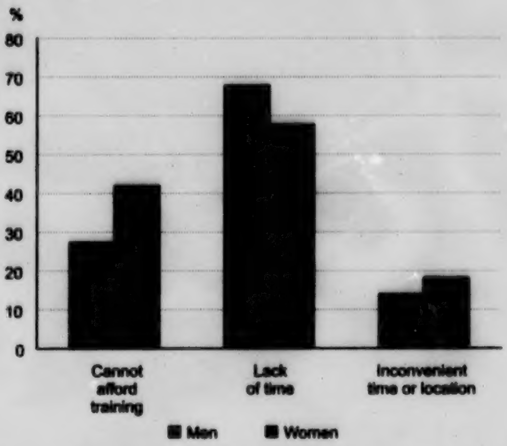
Reasons provided for not having taken training

Obstacles that prevented some of the self-employed to take wanted formal training are identified in the SSE. Three obstacles are frequently mentioned: one lacks the time to train (or, one is too busy at work), one is not able to afford the training (i.e., it is too expensive), and the training one wants is offered at an inconvenient time or location. Close to two-thirds of the self-employed who faced obstacles indicate that they lacked the time for training. About a third state that they could not afford the training. Finally, some 15% indicate that training took place at an inconvenient time or location. Women are more likely to mention the latter two obstacles, while men are more likely to mention the first one. Other reasons are generally given by few individuals.

5.4 Informal training participation

An innovation in the SSE is that the self-employed were asked whether they trained informally during the reference period. More precisely, questions were asked about three informal training techniques: studying books, manuals or other publications in either print or electronic format, observing colleagues demonstrating skills, and discussing with others. These techniques are widely used among the self-employed: almost 80% use at least one. Discussing with others is the most prevalent (71.5%), followed by studying manuals (62.2%). Observing colleagues (42.1%) is least common. While there appears to be no difference in the proportion of men and women using these techniques, employers are more likely than the OASE to use them.

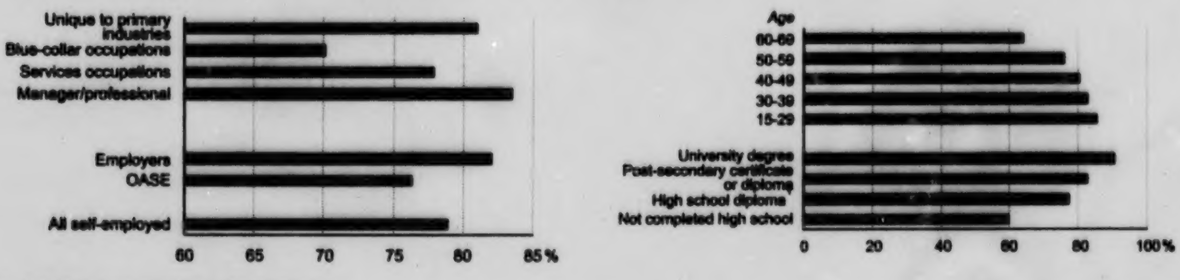
Figure 5.4 Obstacles to taking formal training[1]



[1] Question asked to respondents who wanted to take work related formal training but did not take it. Multiple answers are allowed.

The self-employed in blue-collar occupations are the least likely to have trained informally, while those in managerial and professional occupations are the most likely. The proportion of the self-employed training informally increases with the education level and is lower among older workers.

Figure 5.5 Participation rate in work-related informal training



[1] Including some post-secondary education.

It can also be seen that almost everyone who trained formally during the reference period also engaged in informal training. Close to three-quarters of those who did not train formally during the reference period trained informally. Thus, overall, about a quarter of the self-employed had both formal and informal training during the reference period, slightly more than half had informal but not formal training, a very small proportion trained formally but not informally, and a fifth did not train at all.

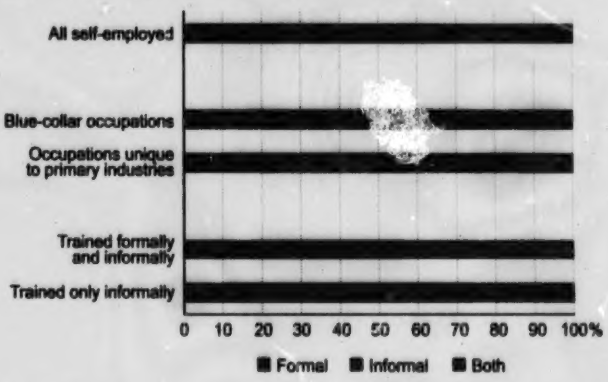
5.5 Comparing formal and informal training

For the self-employed, formal training may present some advantages over informal training, or it may not, depending on the current circumstances of the individuals. The SSE asked which type of training is more useful for them and which advantages it possesses over the other type.

Perceived relative usefulness of formal and informal training

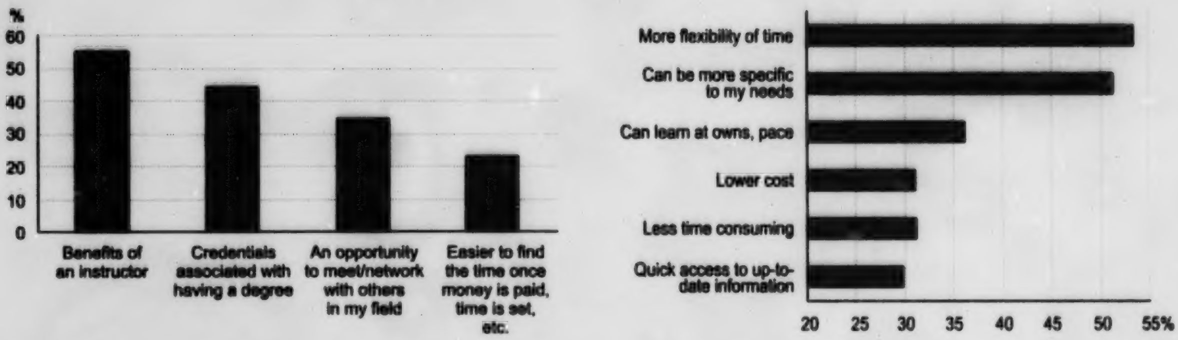
The self-employed who manifest a strong interest in training were asked whether formal or informal training is more useful than the other.[4] Figure 5.6 shows that almost 45% of those asked declare that informal training is more useful, 18% that formal training is more useful, and about 38% that both are equally useful.[5] There is no difference between men and women. Those in blue-collar occupations are much more likely to perceive informal training as more useful, while those in occupations unique to primary industries are much less likely to find formal training more useful.

Figure 5.6 Type of training that is more useful[1]



[1] Question asked to respondents who have done some informal training during the reference period and have either take formal training or indicated a desire to take formal training, but without doing so for some reason.

Figure 5.7 Advantages of one type of training over the other[1]



[1] The left-hand side represents the proportion of the self-employed who agree with the stated relative advantage of formal training over informal training. The questions were asked to respondents who find formal training more or as useful as informal training. Multiple answers are allowed. The right-hand side represents the proportion of the self-employed who agree with the stated relative advantage of informal training over formal training. The questions were asked to respondents who find informal training more or as useful as formal training. Multiple answers are allowed.

More than 60% of those who had taken only informal training during the reference period consider it more useful.[6] Few of them indicate that formal training is more useful. Those who had trained both formally and informally during the reference period are more likely to indicate that both types of training are as useful, or that formal training is more useful.

Advantages and disadvantages of the two types of training

Depending on their perception of the relative usefulness of formal and informal training, the self-employed were asked what advantages their preferred type of training has on the other type. Among the self-employed for whom formal training is more useful or as useful as informal training, having an instructor is the only advantage perceived by a majority. The left-hand side of Figure 5.7 shows that other advantages are perceived by between a fifth to two-fifths of the self-employed who answered the question. Little difference is apparent in the response by sex, groups of occupations or employer status.

Among the self-employed for whom informal training is more useful or as useful as formal training, two advantages are perceived by a majority: informal training offers them more flexibility of time and it can be more specific to their needs. The right-hand side of Figure 5.7 shows that other advantages get the agreement of around a third of the self-employed who answered the question. No significant differences appear according to sex. The possible gains from greater time-flexibility of informal training are perceived differently across groups of occupations and by the OASE and employers.

5.6 Concluding remarks

The SSE shows that around a quarter of the self-employed undertook work-related formal training during the reference period. It also shows that, at close to 80%, the participation rate in informal training is very high, and that almost everyone who trains formally also trains informally. A large majority of those who had trained during the reference period consider that informal training is more useful or as useful as formal training. Around half of these consider that informal training facilitates more focussed learning and a greater flexibility in time-use than formal training. Given that the self-employed tend to work longer hours than employees, it is possible that informal training is a good substitute to formal training.

It is difficult to determine whether the high participation rate in informal training of the self-employed makes up for their lower participation rate in formal training. Before the inference can be made, much more must be known about the informal training behaviour of employees.

According to the data gathered in the AETS-1998 and in the 1999 Workplace and Employer Survey, employees are more likely than the self-employed to undertake work-related formal training. The lower participation rate of the self-employed in formal training may arise because some obstacles to skill development are more acutely felt. For example, the self-employed may face higher training costs because of a lack of economies of scale, or few programs and courses offered by training institutions meet their training needs.

However, the SSE shows that obstacles to training perceived by the self-employed are rather similar to the perception of employees, as revealed by the AETS-1998. In both cases, a lack of time to train is the reason most often mentioned. In both cases, the next two most common obstacles are that one cannot afford the training (it is perceived to be too expensive) and that it is offered at an inconvenient time or location.

As usual, the interpretation of these perceived obstacles is difficult. That the training is perceived as too expensive, in financial terms, may be interpreted as indicating that credit constraints prevent a desirable investment from being made. That one does not have the time to train, because one is too busy, may mean that the perceived benefits derived from training are not worth the opportunity cost.

M121

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Comparisons with the 1999 Workplace and Employee Survey

The training concepts are slightly different in the WES-1999, so direct comparisons with the SSE are somewhat problematic. It is, however, possible to obtain a measure of employees' participation in formal, work-related training that should be fairly similar to the one used in the SSE. The participation rate in work-related formal training is 42.1% in the WES-1999, which is markedly higher than what is observed in the SSE.

The question relating to on-the-job training in the WES-1999 is possibly a poor equivalent of questions on informal training/learning in the SSE. Data indicates that 30.3% of employees in the WES-1999 had on-the-job training, and that slightly more women than men had such training.

The idea of formal training that one wanted but did not take can only be poorly approximated in the WES-1999 with the following question: "In the past 12 months, was there job-related training offered to you that you decided not to take?" That a course be offered — implicitly, by the employer — is different from its being wanted. This difference may explain the much lower rate of positive answer in the WES, 10.0%, compared to 23.2% in the SSE.

Notes

[1] See the recent report by Statistics Canada and Human Resources Development Canada (2001a) on the Adult Education and Training Survey, page 21, and OECD (2000), page 170.

[2] Hughes (2001) provides a literature review of training in Canada and discusses extensively what can be learned about training from the SSE.

[3] For those whose spell of self-employment started less than twelve months before the survey date, answers are requested for training events since the beginning of the self-employment spell.

[4] Manifesting a strong interest in training here means that the respondent has done some informal training during the reference period and has either taken formal training or indicated a desire to take formal training, but without doing so for some reason. In all, 39.4% of survey respondents answered this question.

[5] Using data from the General Social Survey of 2000, on access and use of information and communication technology, Marshall (2001) shows that the self-employed are more likely than employees to have used informal methods to learn computer skills, less likely to have used formal methods, such as institutional courses or methods sponsored by employers, and more likely to rate informal methods of learning computer skills as very important.

[6] One interpretation of this result is that the majority of those who trained only informally and who also wanted to train formally obtained the training they consider most useful.

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Income Insurance

The self-employed may experience severer income fluctuations than wage and salaried workers for a variety of reasons, the most likely being more irregular work patterns, a greater sensitivity to shifts in demand conditions, and a more limited ability to diversify their customer base than medium or large size firms have.[1]

It has long been thought that firms provide implicit insurance to their employees by limiting fluctuations in pay and, to a lesser extent, in hours worked in exchange for a lower average remuneration (Rosen [1985]), a form of insurance the self-employed would not have. Also, a large proportion of paid workers are protected against severe income fluctuations by some forms of social insurance, most importantly Employment Insurance, an option that is unavailable to the self-employed.

The Survey of Self-Employment (SSE) contains questions that seek to identify the extent of financial difficulties experienced by the self-employed. It also explores the interest among the self-employed in a hypothetical scheme whereby they would pay premiums in order to obtain income insurance; and it seeks to identify the reasons for the interest, or lack thereof, in such a scheme.

6.1 Past personal financial difficulties

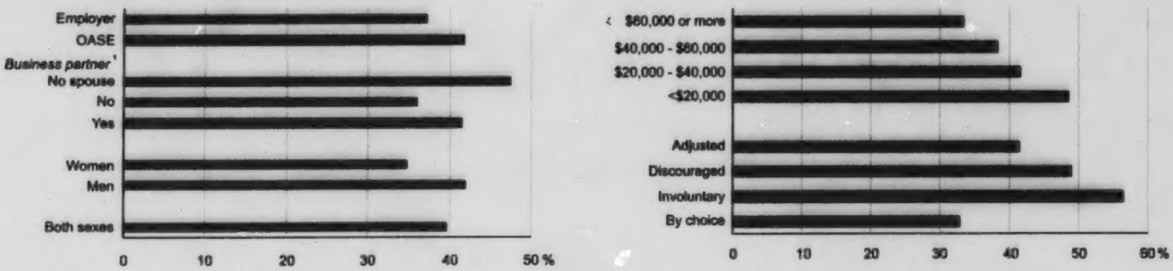
The SSE asked the self-employed whether they have experienced past personal financial difficulties as a result of being self-employed. Beyond its immediate use in identifying the prevalence of financial difficulties, and the characteristics of those who have experienced them, this information is useful in helping to assess the need for some programs that would help to stabilize their income.

About 40% of the self-employed declare having experienced financial difficulties. Women are less likely than men to report such financial difficulties. The self-employed whose spouse is their business partner are more likely to report financial difficulties than those whose spouse is not a business partner, while those without a spouse are even more likely to have experienced personal financial difficulties. A plausible interpretation is that when spouses are not business partners, the household is more likely to have diversified income sources.[2]

The self-employed who have employees are slightly less likely than the OASE to have had financial difficulties, while individuals in blue-collar occupations are more likely to have experienced financial difficulties than those in other groups of occupations.

Even though the question about financial difficulties does not have a set reference period—respondents are not asked about personal financial difficulties in the last five years only, say—the proportion of the self-employed having experienced financial difficulties does not tend to increase with tenure. The probability of having experienced past financial difficulties decreases substantially at higher levels of present income.

Figure 6.1 **Proportion who have experienced financial difficulties as a result of being self-employed**



[1] The three categories are: one has no spouse; one's spouse is not a business partner; and, one's spouse is a business partner.

Financial difficulties may play a role in explaining the attitude towards self-employment. The self-employed "by choice" and those who have "adjusted" to that state are less likely to have experienced personal financial difficulties than the "discouraged" and "involuntary" self-employed.

6.2 Coping mechanisms

Individuals who experienced personal financial difficulties as a result of being self-employed were asked how they had dealt with the most recent difficulties. A majority report that they reduced their personal and family expenditures. Borrowing money, using savings and relying on other sources of income were the other most commonly used ways to deal with financial difficulties. Other ways of coping with financial difficulties were used by 10% or fewer of the self-employed.

Those who borrowed money to deal with personal financial difficulties borrowed most commonly from a financial institution (around two-thirds of those who borrowed); around 40% borrowed from family and friends, while few borrowed from other sources. Men were more likely to borrow from a financial institution, while women were more likely to borrow from family and friends. Among those who relied on other sources of income to cope with personal financial difficulties, the most common was earnings of other members of the household.

6.3 Income insurance program

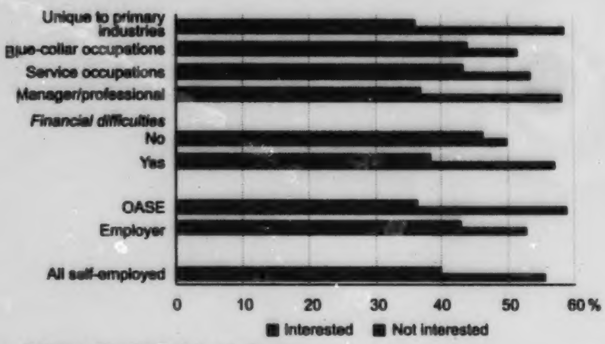
Interest in an income insurance program

To inquire about their interest in a hypothetical income insurance program, the SSE asked the self-employed: "Would you be interested in paying premiums to an insurance program which would pay you benefits if poor business conditions cause you personal financial problems?"

About 40% of the self-employed state that they would be interested in such a program, some 55% would not be interested, and a few would not know. The level of interest in such an insurance program is the same for men and women; it is slightly higher among the OASE than among employers. The self-employed in service occupations and in blue-collar occupations would be more interested than those in managerial and professional occupations and in occupations unique to primary industries.

The attitude towards self-employment and the interest in an insurance program are clearly correlated. A majority of the self-employed who would have accepted a paid-job at the time of the survey (the "involuntary" and "discouraged" self-employed) would be interested in an insurance program. Also, about a third of the self-employed "by choice" would be interested, while the proportion of those who have "adjusted" to self-employment interested in the program would roughly correspond to the overall average.

Figure 6.2 **Proportion of the self-employed who would be interested in an income insurance program**



[1] Category "Don't know" is not shown.

Among the ones who had past personal financial difficulties as a result of self-employment, as many (47.9%) would be interested in an income insurance program as would be not interested (47.0%). Slightly more than 60% of those who did not have such personal financial difficulties state that they would not be interested in an insurance program.

The level of interest in the program is also lower among those with earnings of $60,000 or more and those with very long tenure. The level of interest is highest among those with very short self-employment tenure.

Interest for such a program drops markedly the self-employed between the ages of 60 and 69. The same holds true when men and women are considered separately: only the oldest workers would markedly be less interested.

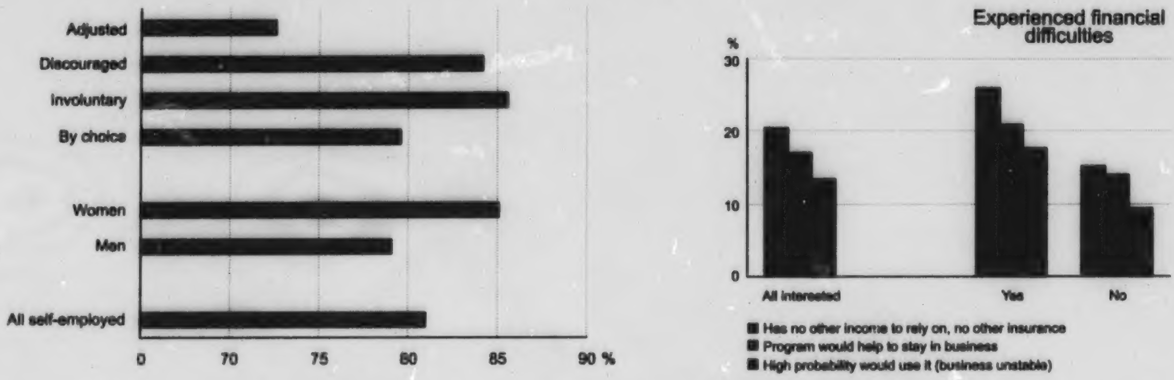
One's level of interest in an income insurance program also depends on one's marital status. Those without a spouse would be more likely to be interested in such a program, albeit the increase in the percentage interested is not large (from 38.3% to 46.3%). The relationship between marital status and interest is the same among men and women.

Reasons for interest in an income insurance program

In section 4.2, it is noted that the uncertainty inherent in self-employment is the aspect most disliked by the largest proportion of the self-employed. Together, the uncertainty and the stress are the most disliked aspects for close to 30% of the self-employed. So it is probably not surprising that slightly more than 80% of those interested in an income insurance program state that a reason for their interest is that they would feel more secured, and less stress with it in place. As Figure 6.3 shows, other reasons to be interested in an income insurance program are mentioned by at most one-fifth of those interested. Women are slightly more likely than men to mention anticipating greater security and reduced stress. Otherwise, the answer patterns of men and women are very similar.

The self-employed who experienced financial difficulties are more likely than others to explain their interest by a high probability of using the program, but also by their lack of other income or insurance, and their conviction that the program would help to stay in business. Finally, the "involuntary" or "discouraged" self-employed are more likely to indicate that they would feel more secured and less stress with such an insurance program.

Figure 6.3 Reasons for interest in income insurance program[1]



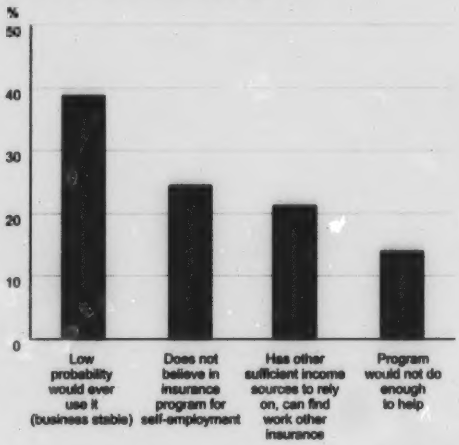
[1] Question asked to respondents who stated being interested in an income insurance program. Multiple answers are allowed.

Reasons for lack of interest in an income insurance program

Four reasons for a lack of interest are given by a sizeable proportion of the self-employed who would not be interested in an income insurance program: a low probability they would ever use the insurance program; a lack of belief in an insurance program for the self-employed; one has other, sufficient income or could find other work; and, such a program would not do enough to help. Few offer other reasons.

Those who have not experienced personal financial difficulties are more likely to indicate that their lack of interest is based on a low probability of ever using it.[3] They are also more likely to indicate that they have sufficient other income sources. Among those who are not interested, a larger proportion of women than men indicate that they have other, sufficient sources of income. More men than women do not believe in an insurance program for the self-employed (they consider that it is not an appropriate program for the self-employed) or state that it would not do enough to help. Individuals who are self-employed "by choice" or who have "adjusted" to self-employment are more likely to explain their lack of interest in an insurance program by a lower perceived probability of ever using it.

Figure 6.4 Reasons for lack of interest in income insurance program[1]



[1] Question asked to respondents who stated not being interested in an income insurance program. Multiple answers are allowed.

6.4 Concluding remarks

Around 40% of the self-employed report having experienced personal financial difficulties as a result of being self-employed. While this percentage does not appear to be inordinately high, it is difficult to determine what exact meaning respondents give to the concept of financial difficulties. Their extent could range from having had to rely too much on one's credit margin, to renegotiating one's mortgage, to the extreme of declaring bankruptcy.[4]

The attitude towards self-employment, however, and the fact of having experienced personal financial difficulties are correlated. The frequency and extent of such difficulty may determine whether one wants to exit from self-employment. The attitude towards self-employment and the interest in a potential income insurance program are also correlated.

A better understanding of the consequences of financial difficulty on the self-employed probably requires knowing the value and liquidity of their assets, not just their present income level. Valuing their assets may also help in determining whether there is a need for an income insurance program for the self-employed. Tax-sheltered assets, such as RRSPs, may also help to smooth out income fluctuations.

A better understanding of the interest of the self-employed for an income insurance program would probably be gained by articulating more precisely the circumstances under which the program would pay benefits out, and the basis for determining premiums to be paid. At present, it is difficult clearly to assess the degree of interest in the program of the two-fifths of the self-employed who declare that they would be interested.

Notes

[1] The Survey of Work Arrangements of 1995 shows that the vast majority of the self-employed employers had fewer than ten employees.

[2] One cannot infer from the fact that the spouse is a business partner that both spouses must be working, either full time or part time, for the same business. The self-employed whose spouse is their business partner are more likely (78.9%) to report that their self-employment income represents more than 50% of the household income in 1999, than those whose spouse is not their business partner (66.2%), while those without a spouse are even more likely (85.2%) to report that it represents more than 50% of their household income.

[3] Among those interested in an insurance program, the converse result obtains: individuals with past personal financial difficulties are more likely to indicate that their interest is based on a high probability that they would use it.

[4] The percentage of those who dealt with financial difficulties by declaring bankruptcy is small (2.2%*). It is also insufficient to judge either how common bankruptcy is among the self-employed compared to employees, or how commonly bankruptcy, or financial difficulties in general, pushes individuals to exit from self-employment.

Dental, Supplementary Health and Disability Insurance Coverage

One difference that matters between the self-employed and wage and salary workers is that the latter often get a wide array of fringe benefits through their employment relationship, while the self-employed have to pay for them directly or obtain them through a close relative, most commonly their spouse. Among these benefits are dental, health and disability insurance. Potential gains to firm-level provision of these insurance plans would come from two sources. First, there can be economies of scale in their administration; second, compulsory participation may alleviate adverse selection problems. On the other hand, a self-employed individual gets to decide whether, given his or her circumstances, paying for the insurance is worth it.

The Survey of Self Employment (SSE) contains a few questions seeking to describe the insurance coverage the self-employed have, their source of the coverage, and the reasons that led some of them not to acquire coverage. Three types of insurance are investigated: dental insurance, supplementary health insurance and disability insurance.

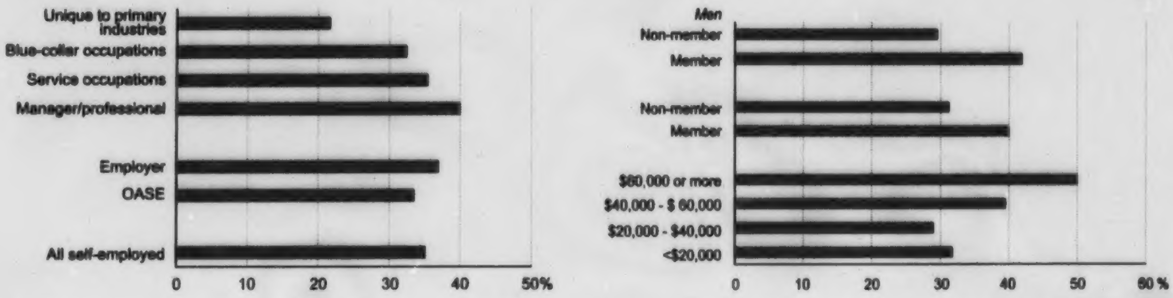
For the first two types of insurance, it is usually possible to obtain family coverage, while a disability insurance plan covers only the person who acquires it. Thus, the sources of coverage for dental and supplementary health insurance are identified in the SSE, while it is not for disability insurance. Because the patterns observed in the SSE are very similar for dental and supplementary health insurance, the findings related to these two types of insurance are presented together; Figures that relate to supplementary health insurance are not presented in this chapter.[1] Results relating to disability insurance are presented separately, as the findings are somewhat different from the ones for the other two types of insurance.

7.1 Dental and supplementary health insurance plans

Rates of coverage

The SSE indicates that around a third of the self-employed are covered by a dental insurance plan, while slightly more than 40% have supplementary health insurance. In both instances, the proportion covered is the same among men and women. The proportion of the self-employed who have insurance differs notably according to employer status, group of occupations, income level, and membership in association—some of which offer optional insurance group plans.

Figure 7.1 **Proportion of the self-employed with dental insurance coverage**

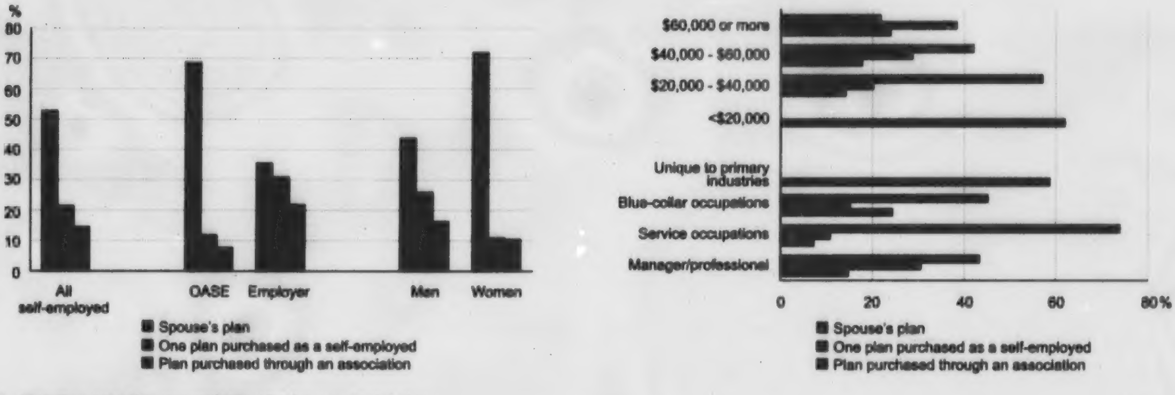


The OASE are less likely than employers to have insurance. The proportion insured is highest for individuals in managerial and professional occupations and lowest for individuals in occupations unique to primary industries. It increases at higher income levels. The youngest self-employed, between the ages of 15 to 29, are less likely to be insured. In the case of dental insurance, the coverage rate reaches a maximum for the individuals between the ages of 40 and 49. Self-employed men who are members of associations are more likely to be insured than non-members.

Sources of coverage

Most individuals obtain either type of insurance coverage from one of three sources: through a spouse's (or partner's) plan, through his or her own plan purchased as a self-employed person, or through a plan bought through an association. Relatively few individuals obtain coverage through a paid job, a franchisor program, or other means.[2]

Figure 7.2 **Distribution of the sources of coverage for dental insurance**[1]



[1] Question asked to respondents who have a dental plan.

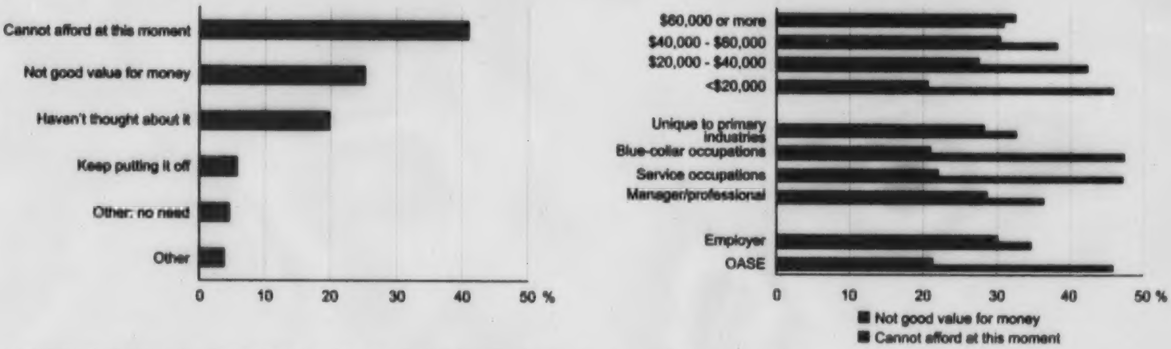
Women are more likely than men to obtain insurance protection through a spouse's plan; the same is true of the OASE, as compared to employers. Individuals in managerial and professional occupations are more likely to buy their own plan, while those in service occupations are more likely to rely on their spouse's plan. The proportion of the self-employed who obtain coverage through their spouse's plan decreases at higher income levels.[3] Both female and male members of associations are considerably more likely to buy their insurance plan through an association, and less likely to benefit from their spouse's plan.

Reasons for lack of coverage

There are three main reasons why some of the self-employed do not have dental or supplementary health insurance coverage, according to their answers to the survey. Around 40% of the self-employed without insurance indicate that they cannot afford it, somewhat more that 20% indicate that insurance plans do not offer good value for the money, while around 20% answer that they have not thought about it.[4] Other reasons, such as putting buying the insurance off, having no need for it or "other, specified reasons," are mentioned by relatively few individuals. Again, these proportions are fairly similar for dental and supplementary health insurance plans.

There is no difference in the main reasons provided by men and women for their lack of dental insurance coverage. However, men are slightly more likely to indicate not being able to afford supplementary health insurance, while women are slightly more likely to indicate that it does not offer good value for the money. For both types of insurance plans, the OASE are more likely to answer that they cannot afford them, and employers are more likely to answer that available insurance plans do not offer good value for the money.

Figure 7.3 **Main reasons for not purchasing a dental plan**[1]



[1] Question asked to respondents who do not have a dental plan. The categories were read to respondents.

Almost half of the individuals in service occupations and in blue-collar occupations indicate they cannot afford the insurance plans at the moment, while those in occupations unique to primary industries are more likely to state that available insurance plans do not offer good value for the money. As might be expected, the proportion stating that they have not purchased insurance because they cannot afford it decreases at higher income levels. Non-members of associations are more likely to indicate that they cannot afford insurance, while members are more likely to argue that available plans do not offer good value for the money.

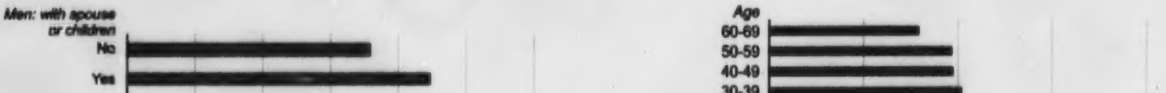
7.2 Disability insurance

Rate of Coverage

About 40% of the self-employed are covered by a disability insurance plan. Men are more likely than women to be covered, and employers are more likely than the OASE. While men are more likely to be covered when they have a spouse or have children under the age of 24, there appears to be no such correlation for women.

The proportion of the self-employed with disability insurance varies little by groups of occupations, with the exception of service occupations, where it is markedly lower. It is also found that within each group of occupations, a larger proportion of men are insured than women, with the exception of the occupations unique to primary industries, where there is no statistically significant difference according to sex. This seems to indicate that the difference in rate of coverage between men and women would be explained by something else than their occupations.

Figure 7.4 **Proportion of the self-employed with disability insurance coverage**

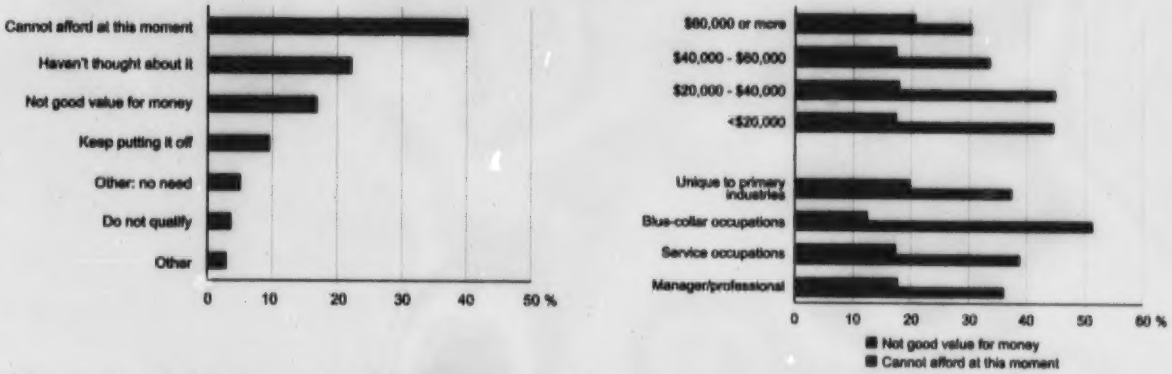


For both men and women, the coverage rate increases at higher income levels. The younger (15 to 29 years of age) and older (60 to 69 years of age) self-employed are less likely to have disability insurance coverage. The other age groups have about the same coverage rate. Men of more than 60 years of age are much less likely to have disability insurance than other men, while it is the younger women, 15 to 29 years old, who are much less likely to be covered than other women.

Reasons for lack of coverage

The self-employed who are not insured against disability generally offer the same three main reasons for not being covered as for the other two types of insurance. Around 40% state that they cannot afford the insurance, somewhat more than 20% indicate that they have not thought about it, and somewhat less than 20% answer that available insurance plans do not offer good value for the money. It should be noted that only 3.6% of the self-employed without disability insurance state that not being able to qualify is the main reason for their lack of coverage. Almost 20% give other main reasons. There is no statistically significant difference in the distribution of main reasons provided by men and women. Half the self-employed in blue-collar occupations without coverage state that they cannot afford the insurance. Otherwise, there is little to distinguish the different groups of occupations.

Figure 7.5 **Main reasons for not purchasing disability insurance**[1]



[1] Question asked to respondents who do not have disability insurance. The categories were read to respondents.

7.3 Concluding remarks

For dental and supplementary health insurance, it is notable that coverage rates do not differ between men and women, even though coverage varies with a certain number of socio-demographic characteristics that have different distributions for men and women. While the sources of the insurance coverage—the means through which it is obtained—tend to differ markedly between men and women, the main reasons offered for not obtaining insurance coverage do not differ much according to sex.

With respect to disability insurance, on the other hand, the coverage rate is markedly higher for men than women; it is also higher for men than women at each income level and within most groups of occupations. Here again, main reasons offered for not having coverage do not differ much according to sex.

Possible inferences based on the insurance take-up rates described above are limited. However, survey results suggest the following conjecture: inasmuch as dental and supplementary health insurance coverage is concerned, married women appear to be secondary earners.[5] This conjecture rests on two observations. First, among the self-employed with a spouse, men are just as likely as women to have only dental insurance or only supplementary health insurance or both types of insurance. Second, among the married self-employed who have both types of insurance coverage—all together, 30% of the self-employed—the sources of coverage differ markedly by sex. About three-quarters of women get both types through their spouse's plan, compared to slightly less than half of men. Just under a quarter of men get both types through plans they bought directly, compared to about one woman out of ten. Finally, one out of seven men get both types from plans bought through associations, compared to half as much among women.[6]

M121

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Comparison with WES 1999 and SWA 1995

The 1999 Workplace and Employee Survey (WES-1999) provides information on the percentage of employees who obtain insurance coverage as part of their non-wage compensation. Roughly half of all employees covered by the survey obtain dental, supplemental medical, or life or disability insurance coverage from their employer. Men are more likely to get these forms of non-wage compensation than women. Data from the 1995 Survey of Work Arrangements (SWA-1995) on dental insurance and supplementary health plan are similar: more than half of employees get coverage from their employer, and men are likely to be covered than women.

Notes

[1] Appendix F contains the relevant statistical tables for the three types of insurance.

[2] A small proportion of the self-employed operate a franchise (4.2%) and less than 20% of franchise operators who have dental insurance coverage obtain it through a franchise. Only 5.3% of the self-employed have more than one job and more than half of these obtain their dental insurance coverage from a paid job. Note however that some individuals who did not have a second job at the time of the survey obtain their coverage from a paid job.

[3] A possible reason for this is that men are much less likely than women to have a spouse who is employed on a full-time basis and rather more likely to have a spouse who is out of the labour force or unemployed.

[4] The proportion answering that they have not thought about buying a dental insurance plan is fairly stable, at around 20%, in most population subgroups.

[5] A complementary explanation is that the differences in the source of coverage between married men and women is symptomatic of occupational segregation, or differences in work status, of their spouse. The WES-1999 and the SWA-1995 tend to confirm that male employees are more likely than female employees to get dental and supplementary health insurance coverage from their employer, coverage that might take the form of a family plan.

[6] Devine (1994, Table 11, page 30) presents similar striking differences between men and women in the source of health care coverage in the United States.

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Retirement Preparation

To a greater extent than paid employees, the self-employed have to prepare financially for retirement by themselves. Many employees are entitled to participate in an employer-sponsored pension plan or group Registered Retirement Savings Plan (RRSP). Employees rarely have a large proportion of their financial wealth directly tied to their source of labour income. Presumably, they can benefit from asset diversification, which spreads the risk associated with sector-specific shocks. The self-employed, on the other hand, may be preoccupied by the need to invest in their business, leaving little money available to save for the long term. The self-employed may be diversifying their financial and physical assets too little, thereby increasing the risk they face from sector-specific shocks. This chapter has a two-fold focus: to show the steps the self-employed have taken to prepare financially for retirement, and to consider how much diversification by types of assets is taking place.

The Survey of Self-Employment (SSE) contains basic elements of information on these issues. First, it is known whether an individual is the owner of various forms of physical and financial assets.[1] Second, for those who do not hold any such assets, the main reason for their lack of assets is identified.

8.1 Assets held

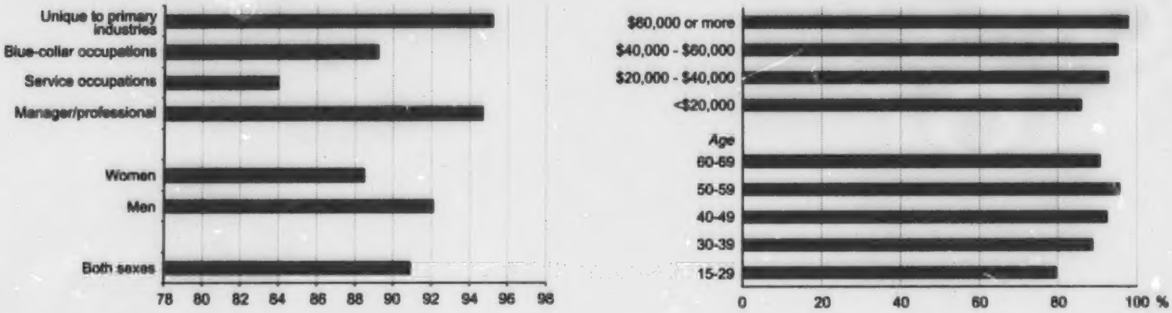
More than 90% of the self-employed have saved in one way or another for their retirement. The proportion is slightly higher among men than women and is considerably higher among employers than the OASE. It is slightly lower for individuals in service occupations, and above average for those in managerial and professional occupations and in occupations unique to primary industries.

The proportion of individuals who have accumulated assets generally follows the expected pattern, increasing with age and at higher income levels. However, among the 60 to 69 years old, a smaller proportion have accumulated some sort of savings for retirement than among the 50 to 59 years old. The proportion reaches a high of 97.5% for the self-employed with income of $60,000 or more.

Different savings vehicles are used to prepare financially for retirement. Figure 8.2 presents the proportion of the self-employed who hold the different asset types. The most commonly held types of assets are: equity in one's home or cottage or business; RRSPs; other forms of savings for retirement (mutual funds, Guaranteed Income Certificates, stocks, and bonds held outside an RRSP); and, assets such as land or rental property. Relatively few individuals hold rights to a pension from a paid job, or any other assets.

When each specific asset is considered, the pattern observed above generally holds: the proportion who own the asset is higher among men than women, and it is considerably higher among employers than the OASE. The proportion tends to be lower for individuals in service occupations and above average for those in managerial and professional occupations and in occupations unique to primary industries. The proportion owning a specific asset generally increases at higher income levels and for older age groups.

Figure 8.1 **Proportion of the self-employed who have started preparing financially for their retirement, by characteristics**[1]

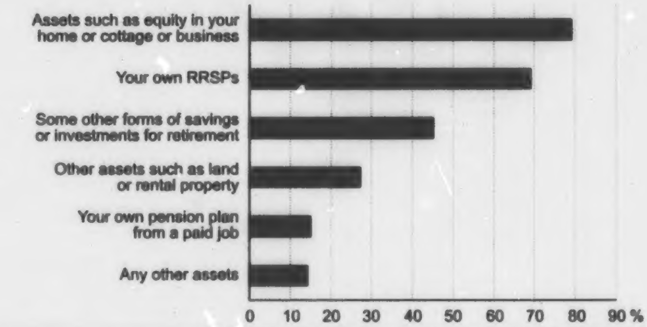


[1] Proportion who possess at least one asset.

Asset diversification

While the SSE does not allow one to determine the market value of financial and physical assets held by the self-employed, an idea of the extent of diversification can be gained from it. Around 25% of the self-employed who have financial or physical assets—90% of the total—hold at least four types, slightly less than 30% have three types, 28% have two types, and only some 16% have only one type of asset.

Figure 8.2 **Proportion of the self-employed who own assets of various types**



When examined according to the characteristics of the self-employed, patterns discussed above tend to repeat themselves. Women are more likely than men to hold only one or two types of assets. The OASE are more likely than employers to hold only one or two types of assets. Those in managerial and professional occupations and in occupations unique to primary industries are more likely to own three or more types of assets; the number of types of assets held also tends to increase with age and at higher income levels.

It has been seen that equity in one's home or business and RRSPs are the assets most commonly held by the self-employed. The SSE indicates that these might be thought of as the "primary assets" to be held, in the sense that around 90% of the self-employed who own only one type of assets have one of these two types. Among individuals who hold four or more types of assets, equity in one's home or business and RRSPs are owned by almost everyone.

Pension plan as non-wage benefits

The 1999 Workplace and Employee Survey provides information on the proportion of employees who obtain financial support from their employer in preparing financially for their retirement.

Results from the survey indicate that about 38% of employees participate in an employer-sponsored pension plan, that around 18% of employees benefit from a group RRSP plan at work, and that for 14% of employees, the employer contribute to the group RRSP plan. Thus, around 50% of employees get financial contributions from the employer towards their retirement. It is also found that proportionally fewer women than men benefit from their employer's support.

8.2 Reasons for a lack of preparation

About nine percent of the self-employed did not hold any of the physical or financial assets enumerated above, at the time of the survey. These individuals were asked to provide the main reason why they have not started preparing financially for retirement. Almost three-quarters state that the main reason is that they cannot afford saving at this time; a further 15.5%* indicate that it is too early to prepare for retirement. Over 60% of those answering that it is "too early" are less than 40 years old.

8.3 Concluding remarks

Results from the SSE indicate that an overwhelming majority of the self-employed have accumulated assets, even among the younger self-employed. The SSE also indicates that a majority of the self-employed are holding their wealth in more than one savings vehicle. What cannot be determined, however, is whether the self-employed are sufficiently prepared financially for their retirement and how easy the transition into retirement is likely to be.

To know how well-prepared the self-employed are, one would need an estimate of the value of their assets. To determine how easy the transition is likely to be, one would ideally need considerably more information. First, the composition of the wealth matters: wealth tied up in a business, often in the form of physical assets, may be illiquid, and the only way to have access to it may be by selling the business outright. The recent Survey of Financial Security[2] indicates that around a third of the total assets of the self-employed is in business equity.[3] Second, the value of the business may be sensitive to the business cycle. It may be difficult for the self-employed to retire when they had planned to, if retirement entails to liquidate their firm at the bottom of the business cycle.

The nine percent of the self-employed who have not started preparing financially for retirement may be a cause of concern for policy analysts. It may be difficult, however, to use the SSE better to understand their circumstances, as there are relatively few observations on which to base an analysis.

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Notes

[1] The market value of these assets is not known.

[2] For a description of the survey, see Statistics Canada (2001a).

[3] This statistic is computed for unattached individuals and economic families (two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law relationship or adoption) whose main earner is self-employed.

Membership in Associations

Self-employed workers may belong to different associations for a variety of reasons. For some, membership may be a requirement of their profession, trade, or occupation: it is likely to be the case of many professionals (in law, medicine, engineering, etc.), of trade workers (electricians and plumbers, etc.), and of workers in other occupations (accounting, say). Some self-employed workers may voluntarily join other associations because they can be a useful source of information about developments in one's trade, provide networking opportunities, or the means through which one obtains training or information about training. Associations may also improve the social networks of the self-employed, thereby compensating for the isolation that comes from a relative lack of co-workers.

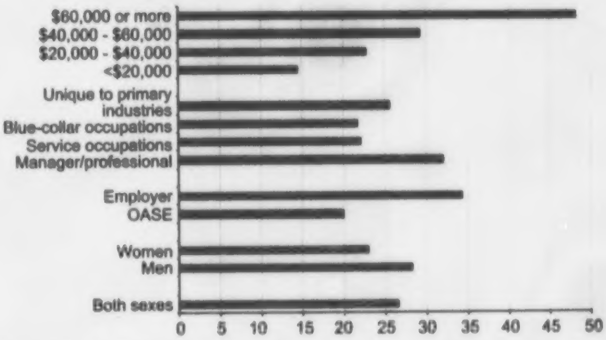
The Survey of Self-Employment (SSE) asked the self-employed about their membership in those types of associations and potential benefits derived from these. Given that more than half the self-employed are non-members, the chapter also presents the main reasons for not belonging to an association.

9.1 Membership in associations

About a quarter of the self-employed declare being required to belong to an association, be it a professional, occupational, or trade one. Proportionally more men than women have this obligation. It is also more common among employers than the OASE. Moreover, those in managerial and professional occupations are more likely to face this obligation. The incidence of this requirement increases for those at higher income levels, almost reaching 50% for those earning $60,000 or more.

Some 31% of the self-employed voluntarily join professional, occupational or trade associations that seek to represent their interests. Employers are about twice as likely as the OASE to belong to this type of association, and men are as likely as women to belong to one of them. Those in the managerial and professional occupations, as well as those in occupations unique to primary industries are more likely to belong to one such association. Prevalence of membership also increases for those at higher income levels, again almost reaching 50% for those earning $60,000 or more.

Figure 9.1 **Proportion of the self-employed who are in associations with obligatory membership**

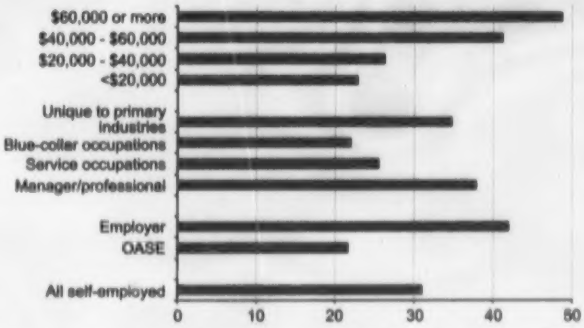


There is also considerable overlap in membership between the two types of associations, as 43.8% of the self-employed are members of at least one association of either type. If both types of associations are considered together, patterns found above are generally repeated.

9.2 Services offered by associations

The potential benefits one can derive from membership depend on the services associations offer. To explore this issue, members of both obligatory and voluntary associations were asked about the services their associations offer.

Figure 9.2 **Proportion of the self-employed who are members of voluntary associations**



Associations are seen as a source of knowledge by a large proportion of members. Table 9.1 shows that close to three-quarters of members indicate that their associations provide information about training, while two-thirds indicate that they provide opportunities for networking.

TABLE 9.1
Members who can potentially benefit from services offered by associations, in percentages[1]

				Employer status	
	Both sexes	Men	Women	OASE	Employer
Information about training	73.2				
Networking opportunities	67.1	65.3	71.5		
Training	62.8				
Group rates on health insurance	53.7	56.5	47.1	49.1	56.9
Group rates on dental insurance	45.1	48.4	37.4	40.0	48.6
Group rates on disability insurance	45.4	48.2	38.9	41.4	48.2

[1] Question asked to respondents who are either required or voluntarily members of associations. Categories were read to respondents.

At a more concrete level, around 60% of self-employed workers who belong to one or more associations can potentially avail themselves of the training opportunities associations offer. Moreover, around 50% can potentially get group rates for health, dental, or disability insurance through their association.

Almost 50% of those who have a dental insurance plan and who are a member of associations offering such group plans, get it through an association. Similarly, around 40% of the self-employed with supplementary health insurance and who are members get their insurance through an association. Moreover, self-employed men who belong to an association are more likely to have dental or supplementary health insurance plans.[1]

In general, as Table 9.1 shows, men are more likely than women to obtain these potential benefits from their membership; an exception is that a larger proportion of women than men perceive networking opportunities from their associations. The availability of group rates for insurance from an association is more prevalent among employers than the OASE.

Overall, these services to members are more likely to be available to individuals who are in managerial and professional occupations, and least likely to be offered to individuals who are in occupations unique to primary industries. If one considers the type of associations, a ranking emerges: the self-employed who belong only to voluntary associations are least likely to be offered these services, followed by those who belong only to obligatory associations; the self-employed who belong to both types of associations are the most likely to be offered these services. An exception to this ranking is that networking opportunities are perceived by a larger proportion of the self-employed who belong only to voluntary associations than of those members only of obligatory associations.

9.3 Reasons for not belonging to an association

Slightly more than half of the self-employed do not belong to an association of either type. These non-members were asked for the main reason they do not join an association.[2] The two most common answers—together representing over 50% of non-members—are that one is not interested or has never inquired into the existence of an association, and that no association would exist in one's individual profession, occupation or trade. Other common main reasons are that non-members are unaware of the existence of one such association, and that they do not have the time (or that they are too busy) to participate. Few indicate that their main reason for not being a member is that belonging to an association does not represent good value for the money, or "any other reasons."

No statistically significant difference exists in the answer pattern of men and women. The only substantial differences between the OASE and employers is that the latter are more likely to indicate that they have no time to participate, and they are less likely to be unaware of the existence of an association.

Table 9.2 shows that those in occupations unique to primary industries are more likely to indicate they are not interested (or have never inquired into the existence of an association). Those in service occupations are more likely to state that no association exists in their field.

TABLE 9.2

Reasons for not being member of an association, in percentages[1]

		Employer status		Groups of occupations[2]			
	Both sexes	OASE	Employer	1	2	3	4
Not interested — never inquired	28.8	28.2	29.7	26.6	26.9	28.8	40.5
Doesn't exist in my field	24.6	25.3	23.4	21.4	30.7	26.1	16.3*
Unaware of any such organizations...	17.4	19.7	13.3	16.3	17.7	16.8	21.4*
No time — too busy to participate	15.6	13.7	19.0	18.1	13.6	14.8	14.1*

[1] Question asked to respondents who do not belong to an association.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

* Estimate of marginal quality.

9.4 Concluding remarks

Associations are a common source of knowledge for the self-employed and a potential direct source of training. They can serve another important role, as a good conduit for training providers interested in marketing their services and in gathering information about the self-employed's training needs. Through networking, associations may help the self-employed to smooth out shifts in business demand, by offering a possible way to find subcontractors or to act as a subcontractor.

More than 40% of the self-employed belong to an association. No obvious criterion is available to indicate whether the self-employed and society would benefit from increased enrollment in associations. What is clear, however, is that around 45% of the non-members might be interested in joining, if they were aware of the existence of an association in their field or had more information about the services associations offer.

Notes

[1] As shown in chapter 7, on dental, supplementary health and disability insurance.

[2] Implicitly, here one must be referring to associations to which membership is not a requirement of one's profession, trade or occupation.

Conclusion

The present report offers an overview of results from the Survey of Self-Employment (SSE), which itself seeks to inform on the conditions of the self-employed in Canada in 2000. In conclusion, it is worthwhile to discuss some of the facts about the self-employed—some already known, some uncovered through this survey, and some in need of further exploration—and to consider the limits of such a survey.

For the last twenty-five years or so, the share of the self-employed in total employment has been growing. The slight decline observed during the last two years is considered by many to be strictly cyclical. The share of women among the self-employed has been growing over that period, now reaching one third, and is widely expected to keep growing in the future. Overall, the SSE presents a positive picture of self-employment in Canada, most notably by showing that more than half the self-employed are so "by choice" and that a majority expressed, at the time of the survey, no desire to become employees.

The SSE shows that close to 80% of the self-employed have trained either formally or informally during the reference period. Given how much skill development matters in determining productivity gains and personal economic success, this new finding is reassuring. Considering the specific circumstances of the self-employed, with their usually long work week and possibly non-standard training needs, it may not be surprising that the SSE confirms that the formal training participation rate among the self-employed is relatively low, at around a quarter of the population. The SSE also shows that nearly everyone who trains formally also trains informally.

The SSE also contains new information on the likes and dislikes of the self-employed. It is interesting to note that entrepreneurial values commonly associated with self-employment are what a majority of self-employed like most about their status, while the uncertainty and insecurity associated with being self-employed as well as the income fluctuations and cash flow problems it creates are disliked most by a great number of the self-employed. These likes and dislikes correspond to the concepts of extent of control over one's work and risk-taking that distinguish the self-employed from employees.

Available information on the circumstances in which individuals became self-employed and on whether they would have been interested at the time of the survey in taking a paid job summarize the attitude of the self-employed. While the SSE presents a positive picture of the self-employed, there is also limited cause for concern. Whereas close to 70% of the self-employed could be described as satisfied with their present status, as they express no desire to leave it in order to become employees, there is a sizeable minority of the self-employed who are dissatisfied. That is, around 60% of the self-employed are so "by choice," while a further 10% have "adjusted" to self-employment. The dissatisfied minority is composed of about 12% who are "involuntary" self-employed, and a further 18% who are "discouraged."

The SSE shows that the attitude of the Own Account Self-Employed (OASE) and the self-employed employers differ considerably, as barely more than half the OASE are self-employed "by choice," compared to almost 70% of employers. It is further found that the attitude towards self-employment differs according to the manner in which paid employment ended: the OASE and employers alike are less likely to be self-employed "by choice" when they lost their previous job than when they quit or resigned, or simply "became self-employed." The attitude to self-employment is also clearly correlated with having experienced personal financial difficulties that stem from self-employment.

What has been learned about the attitude of the self-employed leads to the following two conjectures. The first relates to the likely composition of the stock of the self-employed. The second relates to a difficulty often encountered with cross-sectional data.

The first conjecture is that self-selection is likely to take place among the self-employed in such a way that the longer one has been self-employed, the more likely one is to be rather happy to be so. Put differently, the ones that are consistently unhappy are likely to drop out of self-employment, to opt instead for being employees. This conjecture rests on a few observations. First, the SSE shows that it becomes more likely that one is self-employed "by choice" as tenure increases. It also shows that the sum of the categories "by choice" and "adjusted" tends to increase with time. Second, studies such Lin et al. (2000) have shown that there are very large flows in and out of self-employment, the sum of the flows representing about 40% of the stock, on an annual basis. They have also shown that the probability of exiting self-employment decreases with tenure.

This conjecture has policy implications. The SSE very clearly shows that those who have been self-employed for less than two years are more likely to be interested in an income insurance program, that they would like to enjoy something akin to what they had as employees. It also shows that interest in such a program would decline with tenure. Thus, it is probable that an income insurance program appeals most to individuals who have not yet made any long-term commitment to self-employment.

The second conjecture is that it is probable that the attitude of some self-employed individuals displays short-run fluctuations. For example, it is quite possible that some self-employed oscillate between the categories of "involuntary" and "adjusted" self-employed. The SSE shows that around one out of six individuals with a current self-employment spell of five to ten years are involuntarily self-employed. It appears unlikely that one can be steadfast in one's desire to move out of self-employment in order to find paid employment 'at the going wage or salary rate for someone with one's experience and education' and remains unable to do so after five years of search. The implication is that one's attitude towards self-employment is likely to be sensitive to business cycle fluctuations, either circumscribed to one industry or region or affecting the entire Canadian economy. It is thus possible that individuals classified as "discouraged" or "involuntary" would a few months later, after the business cycle picks up, be perceived as mong the "by choice" and "adjusted" self-employed. In this sense, the attitude indicator used in this report may at times be misleading.[1]

Another potential source of concern about the self-employed relates to their financial security, in particular their preparation for retirement. The SSE offers grounds to be somewhat optimistic, as three-quarters of the self-employed, young and old alike, have accumulated more than one type of assets and nine-tenths have at least one type. However, because the value of these various assets remains unknown, the SSE offers only a sketch of the self-employed wealth, and one needs to wait until the recent Survey of the Financial Security is exploited to fill in the details.

Many questions of interest about the self-employed cannot be addressed with the SSE. Some of these questions could be addressed in future surveys. For example, it is sometimes stated that self-employment is perceived by many individuals as an attractive temporary career choice when their children are young. The SSE offers little information on the number and age of children of the self-employed, so little can be done to identify individuals who are temporarily self-employed better to balance their work and family life. Future surveys need to integrate new strategies to approach the problem of nominal self-employment, which may require a better identification of the concepts of economic dependence and risk associated with being self-employed. Better measures of the self-employed financial wealth may also help identify which ones would be interested in an income-insurance program. In other instances, questions of interest cannot be addressed with the SSE because they have an inherent time component and require longitudinal datasets.[2]

It is to be expected that the SSE cannot answer all questions of interest and that it has to be seen as one of the many surveys available for the study of labour markets in Canada. It should also be kept in mind that the population covered by the SSE is probably dominated by the long-term self-employed. As such, this survey is probably quite appropriate to consider job "quality" issues. Other survey instruments may allow analysts to observe everyone who has been self-employed within a year, or even a longer period. Given the large entry and exit flows observed for self-employment, such survey instruments may lead to observing a self-employed population with a different complexion, containing relatively more short-term self-employed than the SSE. Properly interpreted, these survey instruments should lead to the same findings, but could also offer new insights.

Notes

[1] Future research work may involve determining the relative importance of individuals' socio-demographic characteristics on one hand, and business conditions in industries and provinces on the other hand, in contributing to explain whether one is self-employed "by choice" or one is "discouraged" or whether one is among the "involuntary" or "adjusted" self-employed.

[2] The determinants of the self-employed "success," that is their survival in that state, can be best examined with longitudinal datasets such as the Survey of Labour and Income Dynamics (SLID). The long-term consequences on employment earnings of having had a spell of self-employment could also be studied with the SLID or other similar surveys, not with the SSE.

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Appendix A, Statistical Tables for chapter 2

TABLE A.1
Distribution of employment by group of occupations, for the self-employed and employees

Groups of occupations	Self-employed	Employees[1]
Manager/professional	42.1	30.0
Service occupations	25.0	44.0
Blue-collar occupations	21.2	24.3
Unique to primary industries	11.7	1.7

[1] For private and public sector employees, from 15 to 69 years of age, working either full time or part time at the time of the April 2000 Labour Force Survey. Full-time students are excluded.

TABLE A.2
Occupation distribution of the self-employed, by groups of occupations

Manager/professional occupations (42.1% of the self-employed)	Weight (%) in group of occupations
Managers in retail trade, food and accommodation services	29.5
Other managers, n.e.c.[1]	14.3
Professional occupations in business and finance	12.6
Professional occupations in natural and applied sciences	11.3
Professional occupations in health	7.9
Professional occupations in art and culture	7.3
Judges, lawyers, psychologists, social workers, ministers of Religion, and program officers	6.3
Specialist managers	4.1*
Finance and insurance administrative occupations	4.0*
Administrative and regulatory occupations	&
Senior management occupations	&
Teachers and professors	&
Nurse supervisors and registered nurses	&
Chefs and cooks	&

Service occupations (25.0% of the self-employed)	Weight (%) in group of occupations
Wholesale, technical, insurance, real estate sales specialists, and retail, wholesale and grain buyers	22.3
Sales and service occupations n.e.c.[1]	21.2
Childcare and home support workers	19.8
Technical occupations in art, culture, recreation and sport	10.9
Clerical occupations	5.4*
Technical occupations related to natural and applied sciences	5.2*
Sales and service supervisors	4.1*
Paralegals, social services workers and occupations in education and Religion , n.e.c.[1]	3.9*
Technical and related occupations in health	&
Secretaries	&
Clerical supervisors	&
Occupations in travel and accommodation including attendants in recreation and sport	&
Assisting occupations in support of health services	&
Retail salespersons and sales clerks	&
Occupations in protective services	&

Blue collar occupations (21.2% of the self-employed)	Weight (%) in group of occupations
Contractors and supervisors in trades and transportation	26.9
Construction trades	20.7
Transportation equipment operators and related workers, excluding labourers	19.3
Other trades n.e.c.[1]	10.4
Mechanics	6.0*
Supervisors in manufacturing	4.5*
Stationary engineers, power station operators and electrical trades and telecommunications engineers	3.4*

(continued)

TABLE A.2

Occupation distribution of the self-employed, by groups of occupations

Machine operators in manufacturing	3.4*
Heavy equipment and crane operators including drillers	&
Assemblers in manufacturing	&
Machinists, metal forming, shaping and erecting occupations	&
Trades helpers, construction, and transportation	&
Labourers in processing, manufacturing and utilities	&
Occupations unique to primary industries group (11.7% of the self-employed)	Weight (%) in group of occupations
Occupations unique to agriculture excluding labourers	84.1
Occupations unique to forestry operations, mining, oil and gas extraction, and fishing	15.2
Primary production labourers	0.7#

[1] n.e.c.: not elsewhere classified; standard occupation classification of 1991.

* Estimate of marginal quality.

& Estimate of unacceptable quality, data suppressed.

# Estimate of unacceptable quality.

TABLE A.3

Distribution by sex of groups of occupations, for the self-employed and employees

Self-employed	Groups of occupations[1]				
	All	1	2	3	4
Men	67.9	65.7	43.8	92.1	83.8
Women	32.1	34.3	56.2	7.9*	16.2

Employees[2]	Groups of occupations[1]				
	All	1	2	3	4
Men	51.9	47.9	35.6	84.5	81.0
Women	48.1	52.1	64.4	15.5	19.0

Distribution by groups of occupations of men and women, for the self-employed

	Groups of occupations[1]			
	1	2	3	4
Both sexes	42.1	25.0	21.2	11.7
Men	40.8	16.2	28.7	14.4
Women	45.0	43.8	5.2*	5.9

[1] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[2] For private and public sector employees, from 15 to 69 years of age, working either full time or part time at the time of the April 2000 Labour Force Survey. Full time students are excluded.

* Estimate of marginal quality.

TABLE A.4

Distribution by employer status of groups of occupations, and distribution by employer status and sex

	Groups of occupations[1]				Employer status given sex			Sex given employer status	
	1	2	3	4		Men	Women		OASE	Employer
OASE	39.5	72	58.7	57.7	OASE	50.4	61.2	Men	63.5	73.0
Employer	60.5	28	41.3	42.3	Employer	49.6	38.8	Women	36.5	27.0

[1] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

TABLE A.5

Age distribution of the self-employed and employees, by sex

Self-employed				Employees[1]			
Age	Both sexes	Men	Women	Age	Both sexes	Men	Women
				15-19	2.0	2.2	1.9
15-24	2.3	1.8*	3.2*	20-24	8.7	9.0	8.3
25-29	4.6	4.8	4.3*	25-29	12.6	12.5	12.6
30-34	12.5	11.6	14.3	30-34	13.5	13.6	13.4
35-39	14.6	14.5	14.8	35-39	15.2	15.2	15.2
40-44	17.7	17.1	18.9	40-44	15.5	15.1	16.0
45-49	15.7	15.6	15.9	45-49	12.9	12.3	13.5
50-54	14.4	14.6	13.8	50-54	10.6	10.7	10.6
55-59	10.0	10.9	7.9	55-59	6.0	6.1	5.9
60-64	5.7	6.4	4.2*	60-64	2.5	2.7	2.3
65-69	2.6	2.6*	2.5*	65-69	0.5	0.5	0.4

[1] For private and public sector employees, from 15 to 69 years of age, working either full time or part time at the time of the April 2000 Labour Force Survey. Full time students are excluded.

* Estimate of marginal quality.

TABLE A.6

Age at which current self-employment spell began[1]

	Age at which current self-employment spell began		Distribution by sex, for various age groups at which current self-employment spell began		
	Percent	Cumulative distribution	Age	Men	Women
<17	1.6*				
17-19	2.9	4.6	< 20	83.7	16.3
20-21	3.6	8.2	20-24	71.2	28.8
22-24	8.1	16.2	25-29	70.7	29.3
25-26	6.8	23.0	30-34	69.7	30.3
27-29	11.4	34.4	35-39	64.0	36.0
30-34	19.2	53.6	40-44	62.4	37.6
35-39	15.7	69.3	45-49	66.0	34.0
40-44	11.7	81.0	50-54	63.7	36.3
45-49	8.9	89.9	55-69	61.7	38.3
50-54	6.8	96.7			
55-59	2.4	99.1			
60-69	0.9*	100.0			

[1] based on unpublished data.

* Estimate of marginal quality.

TABLE A.7

Distribution for men and women, by education levels, the self-employed and employees

	Self-employed			Employees[1]		
Education level	Both sexes	Men	Women	Both sexes	Men	Women
Not completed high school	17.6	19.8	13.0	14.3	16.2	12.2
High school diploma[2]	27.5	26.1	30.7	31.1	30.5	31.8
Post-Secondary certificate or diploma	31.4	30.5	33.5	34.2	33.6	34.8
University degree	23.4	23.7	22.9	20.4	19.8	21.1

[1] For private and public sector employees, from 15 to 69 years of age, working either full time or part time at the time of the April 2000 Labour Force Survey. Full time students are excluded.

[2] Including some post-secondary education.

TABLE A.8

Distribution of the self-employed and employees by education levels, for various age groups

	Self-employed Education level[1]						Employees[2] Education level[1]				
Age	*A*	*B*	*C*	*D*	Total	Age	*A*	*B*	*C*	*D*	Total
15-29	10.8*	34.0	30.3	25.0	100	15-29	12.0	37.5	32.0	18.5	100
30-39	12.3	29.1	32.9	25.7	100	30-39	10.4	28.5	37.8	23.3	100
40-49	16.7	27.9	33.3	22.1	100	40-49	14.7	30.8	34.5	19.9	100
50-59	21.7	23.6	30.8	23.9	100	50-59	20.5	28.6	31.5	19.4	100
60-69	32.5	27.2	22.0	18.3*	100	60-69	30.7	24.0	27.6	17.7	100

[1] *A*, not completed high school; *B*, high school diploma (including some post-secondary education); *C*, post-secondary certificate or diploma; *D*, university degree.

[2] For private and public sector employees, from 15 to 69 years of age, working either full time or part time at the time of the April 2000 Labour Force Survey. Full time students are excluded

TABLE A.9

Proportion of self-employed whose spouse is their business partner, by sex

	Question: Is your spouse your business partner?[1]		
Spouse as business partner	Both sexes	Men	Women
Yes	30.7	28.4	35.9
No	69.3	71.6	64.1

[1] For respondents who have a spouse (married or in a common law relationship).

TABLE A.10

Distribution of the self-employed and employees, by industry

	Self-employed	Employees[1]
Professional, scientific and technical	15.1	5.1
Construction	12.6	4.2
Retail trade	9.7	10.6
Other services	8.9	3.7
Agriculture	8.8	0.9
Health care and social assistance	8.3	11.2
Management, administrative and other support	6.3	3.1
Transportation and warehousing	5.9	5.5
Finance, insurance and real estate	5.0	6.2
Wholesale trade	4.3	4.0
Accommodation and food services	4.1	5.5
Information, culture and recreation	2.8	4.1
Manufacturing – durable	2.3	10.6
Forestry, fishing, mining, oil	2.1	1.8
Manufacturing – nondurable	2.0	8.1
Educational services	1.8*	7.9
Utilities	0.0[2]	1.0
Public administration	0.0[2]	6.5

[1] For private and public sector employees, from 15 to 69 years of age, working either full time or part time at the time of the April 2000 Labour Force Survey. Full-time students are excluded.

[2] None of the self-employed in the survey work in utilities or for public administration.

* Estimate of marginal quality.

TABLE A.11

Immigration status and age at year of migration to Canada

Question: Were you born in Canada?			
	All self-employed	Age at immigration[1]	Born elsewhere
Yes	82.3	Less than 15 years of age	36.8
No	17.7	15-29 years of age	34.7
		30 years of age or more	28.5

[1] Derived from question: In what year did you first immigrate to Canada? Question asked to respondents who were not born in Canada.

TABLE A.12

Distribution of the self-employed and employees, by province and distribution of employer status, by province

			Employer status	
Provinces	Employees[1]	Self-employed	OASE	Employer
Atlantic provinces	7.0	5.6	44.3	55.7
Quebec	23.6	22.2	52.0	48.0
Ontario	39.6	37.1	55.0	45.0
Manitoba	3.7	3.8	53.1	46.9
Saskatchewan	2.9	4.4	57.7	42.3
Alberta	10.3	11.8	53.9	46.1
British Columbia	12.8	15.1	56.1	43.9

[1] For private and public sector employees, from 15 to 69 years of age, working either full time or part time at the time of the April 2000 Labour Force Survey. Full time students are excluded.

TABLE A.13
Distribution of the self-employed and employees in three largest cities of Canada, and distribution by groups of occupations

	Self-employed	Employees[1]
Montreal	10.5	11.9
Toronto	14.5	16.9
Vancouver	6.4	7.1
Other cities or regions	68.6	64.1

	Groups of occupations[2]			
	1	2	3	4
Tree largest cities	39.2	33.8	26.6	6.9#
Other cities or regions	60.8	66.1	73.4	93.1

[1] For private and public sector employees, from 15 to 69 years of age, working either full time or part time at the time of the April 2000 Labour Force Survey. Full time students are excluded.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

# Estimate of unacceptable quality..

TABLE A.14
Distribution of the OASE and employers, for selected characteristics

	Groups of occupations[1]				Education level[2]			
	1	2	3	4	*A*	*B*	*C*	*D*
OASE	30.9	33.5	23.1	12.5	20.0	28.2	32.9	18.9
Employer	55.2	15.2	18.9	10.7	14.8	26.8	29.7	28.7

	Age categories					
	15-29	30-39	40-49	50-59	60-69	Has a spouse
OASE	8.6	31.2	28.6	23.2	8.3	74.3
Employer	5.0	22.4	38.9	25.6	8.1	86.4

[1] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[2] *A*, not completed high school; *B*, high school diploma (including some post-secondary education); *C*, post-secondary certificate or diploma; *D*, university degree.

Appendix B, Statistical Tables for chapter 3

TABLE B.1

Distribution for the self-employed and employees, by full time status, and distribution by full time status, for groups of occupations and employer status

	Self-employed			Employees[1]		
	Both sexes	Men	Women	Both sexes	Men	Women
Full-time	87.5	92.5	76.8	87.2	95.1	78.6
Part-time	12.5	7.5	23.2	12.8	4.9	21.4

	Self-employed					
	Groups of occupations[2]				Employer status	
	1	2	3	4	OASE	Employer
Full-time	88.3	79.8	93.1	91.0	81.9	94.1
Part-time	11.7	20.2	6.9	9.0	18.1	5.9

[1] For private and public sector employees, from 15 to 69 years of age, working either full time or part time at the time of the April 2000 Labour Force Survey. Full time students are excluded.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

TABLE B.2

Mean hours worked by the self-employed and employees, for selected characteristics

		Self-employed	Employees[1]
	Everyone	45.4	38.0
	Full-time	48.8	40.0
	Part-time	21.4	22.4
	Men	47.6	40.5
	Women	40.6	35.4
Men	Full-time	49.7	41.2
	Part-time	21.3	22.7
Women	Full-time	46.4	38.4
	Part-time	21.5	22.4

	Self-employed	
	Employer status	
	OASE	42.5
	Employer	48.7
	Sex and employer status	
Men	OASE	45.2
	Employer	50.0
Women	OASE	37.6
	Employer	45.3

[1] For private and public sector employees, from 15 to 69 years of age, working at least 11 hours per week (according to variable "usual total hours worked") , April 2000 Labour Force Survey. Full time students are excluded.

TABLE B.3

Distribution by hours usually worked, for the OASE and employers

	11-19	20-29	30-34	35-39	40-44	45-59	60-74	75 and more	Total
OASE	4.9	12.1	10.2	8.4	22.6	24.0	14.9	2.8*	100.0
Employer	1.4*	3.8*	4.7	4.1	26.6	32.1	22.7	4.6	100.0

* Estimate of marginal quality.

TABLE B.4

Income distribution, by employer status, for 1999

Frequency distribution				Cumulated distribution, excluding "net loss"			
	All self-employed	OASE	Employer		All self-employed	OASE	Employer
Net loss	2.2*	3.3*	&				
Less than $10,000	8.0	12.7	3.0*	Less than $10,000	8.2	13.2	3.1*
$10,000 - $15,000	8.2	11.8	4.3*	$10,000 - $15,000	16.5	25.4	7.4
$15,000 - $20,000	8.7	10.8	6.6	$15,000 - $20,000	25.5	36.5	14.0
$20,000 - $25,000	7.2	8.5	5.8	$20,000 - $25,000	32.8	45.3	19.9
$25,000 - $30,000	10.2	10.7	9.6	$25,000 - $30,000	43.2	56.3	29.6
$30,000 - $35,000	8.3	8.3	8.2	$30,000 - $35,000	51.6	64.9	37.9
$35,000 - $40,000	9.1	9.0	9.3	$35,000 - $40,000	61.0	74.3	47.3
$40,000 - $45,000	4.6	4.3*	5.0	$40,000 - $45,000	65.7	78.7	52.3
$45,000 - $50,000	4.6	3.8*	5.4	$45,000 - $50,000	70.4	82.6	57.7
$50,000 - $55,000	3.5	3.4*	3.8*	$50,000 - $55,000	74.0	86.1	61.5
$55,000 - $60,000	3.4	2.7*	4.2*	$55,000 - $60,000	77.5	88.9	65.7
$60,000 - $65,000	1.4*	&	1.7*	$60,000 - $65,000	79.0	&	67.5
$65,000 - $70,000	2.0*	&	2.8*	$65,000 - $70,000	81.0	&	70.4
$70,000 - $75,000	2.7	&	3.5*	$70,000 - $75,000	83.7	&	74.0
$75,000 - $80,000	2.4	&	3.0*	$75,000 - $80,000	86.1	&	76.9
$80,000 - $90,000	3.6	&	5.1	$80,000 - $90,000	89.8	&	82.1
$90,000 or more	10.0	2.6*	17.7	$90,000 or more	100.0	100.0	100.0

Note: $10,000-$15,000 should be read, from $10,000 (inclusively) to $15,000 (exclusively).

* Estimate of marginal quality.

& Estimate of unacceptable quality, data suppressed.

TABLE B.5

Distribution of the self-employed by income and education levels

	<$20,000	$20,000-$40,000	$40,000-$60,000	$60,000 or more	Total
All self-employed	26.8	34.7	16.5	22.0	100.0
Not completed high school	33.1	43.6	14.6	8.7*	100.0
High school diploma[1]	30.7	36.0	17.2	16.2	100.0
Post-secondary certificate or diploma	30.1	35.4	17.1	17.5	100.0
University degree	13.3	25.7	16.3	44.7	100.0

[1] Including some post-secondary education.

* Estimate of marginal quality.

TABLE B.6

Where the self-employed work

Question: Where do you work most of the time?[1]

				Employer status		Groups of occupations[2]		
	Both sexes	Men	Women	OASE	Employer	1	2	3
Outside home,...[3]	42.9	44.6	39.4	23.5	64.7	53.9	34.7	31.0
At home	27.4	20.3	41.3	39.5	13.9	25.3	40.9	16.3
In various clients locations	19.8	23.6	12.5	24.6	14.4	12.5	18.5	36.2
Office of clients	4.0	3.9	4.2*	4.8	3.0*	5.9	2.5#	2.2#
Other	5.9	7.5	2.7#	7.6	3.9*	2.4#	3.5#	14.3

[1] Respondents who farm or fish have not been asked this question; categories were read to respondents.

[2] 1, manager/ professional occupations; 2, service occupations; 3, blue-collar occupations.

[3] ...in own or rented office, store or other workspace.

# Estimate of marginal quality.

& Estimate of unacceptable quality.

TABLE B.7

Proportion of the self-employed working at clients' location(s) who receive support from clients and nature of the support[1]

Proportion receiving any support

					Groups of occupations		
Both sexes	Men	Women	OASE	Employer	1	2	3
37.3	34.7	45.8	40.4	31.3	52.6	37.6	22.9

Type of support received, for those receiving support

	Both sexes	Men	Women
Other equipment, tools or supplies	23.5	19.5	36.5
Other office equipment such as fax, photocopier	20.5		
Software	16.7		
A computer	16.5	14.9	21.6*
Technical or clerical support	12.8		

[1] Questions asked to respondents who work in clients' locations or in workspace provided by clients. The categories were read to respondents

* Estimate of marginal quality.

TABLE B.8

Proportion of the self-employed working on a written contract basis

Question: Do you usually work on a written contract basis?[1]

			Men	
Both sexes	Men	Women	Incorporated	Unincorporated
32.1	37.0	22.5	39.6	34.8

[1] Question asked to respondents (except those who farm or fish) who ever worked as an employee.

TABLE B.9

Proportion of the self-employed who had a former employer as a client in past 12 months and importance of the former employer in total revenue obtained

Question: Thinking about your clients in the past 12 months. Was your last employer one of your clients?[1]

	Employer status		Groups of occupations[2]		
All self-employed	OASE	Employer	1	2	3
14.7	17.7	10.9*	14.3	&	19.1*

Question: Was more than half of your revenue in the past 12 months generatedby work done for your last employer[3]

All self-employed
50.9

[1] Question asked to respondents (except those who farm nor fish) who ever worked as employees and who work on a written basis contract.

[2] 1: manager/professional occupations; 2, service occupations; 3, blue-collar occupations.

[3] Question asked to respondents whose last employer was in the past year one of their clients and who work on a written contract basis.

* Estimate of marginal quality.

TABLE B.10

Similarity between work now done on contract and work done in the past as employee

For respondents with close ties to former employer[1]	**For the comparison group**[2]				
				Employer status	
All self-employed	Both sexes	Men	Women	OASE	Employer
79.7	46.5	50.4	34.5	39.8	54.3

[1] Those who are working on a written contract basis with most of the last year's revenue generated by work done for their last employer and whose work was similar as when they were employees.

[2] Respondents who work on a written contract basis but did not work in the previous year for their former employer or whose most revenue was not generated by work done for their last employer or whose work done for last employer was not similar to the work done previously as an employee.

TABLE B.11

Extent of control over one's work schedule and the content of one's work, now as self-employed working for a former employer, compared to when worked as an employee

For the self-employed with strong ties to former employer[1]

Control over work schedule		Control over content of one's work	
More	48.0#	More	29.7#
Same	44.0#	Same	67.2#
Less	8.0#	Less	3.1#

For the comparison group[2]

Control over work schedule				Control over content of one's work	
	All self-employed	OASE	Employer		All self-employed
More	71.9	77.2	65.7	More	70.3
Same	19.1	15.5	23.3	Same	21.4
Less	9.0	7.3*	10.9*	Less	8.3

For the comparison group[2]

		Control over content of one's work		
		More	Same	Less
Control over one's work schedule	More	60.9	8.4	&
	Same	6.2*	12.0	&
	Less	&	&	4.8*

[1] Those who are working on a written contract basis with most of the last year's revenue generated by work done for their last employer and whose work was similar as when they were employees.

[2] Respondents who work on a written contract basis but did not work in the previous year for their former employer or whose most revenue was not generated by work done for their last employer or whose work done for last employer was not similar to the work done previously as an employee.

* Estimate of marginal quality.

# Estimate of unacceptable quality.

& Estimate of unacceptable quality, data suppressed.

Appendix C, Statistical Tables for chapter 4

TABLE C.1

Main activity during the 12-month period before the start of current self-employment

Question: What was the main activity during the 12-month period before the start of your self-employment in (startdate)?[1]

				Groups of occupations[2]				Tenure length (in years)				
	Both sexes	Men	Women	1	2	3	4	<2	2-5	5-10	10-20	20+
Work for employer	54.9	57.9	48.3	55.2	50.0	62.3	50.4	51.7	52.0	56.2	57.6	57.8
Self-employment	23.7	25.3	20.2	25.6	21.4	22.3	23.9	22.9	27.3	26.1	23.5	16.5
School	9.0	9.4	8.1	9.8	6.9*	5.2*	17.3	6.4	6.2*	5.8*	10.3	17.7
Household	6.0	&	18.2	3.8*	14.1	&	3.8*	8.3*	5.9*	6.4*	5.5*	3.7*
Look for a job	3.7											
Retired	0.6#											
Other	2.2											

[1] Categories were read to respondents.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

* Estimate of marginal quality

# Estimate of unacceptable quality.

& Estimate of unacceptable quality, data suppressed.

TABLE C.2

Percentage of the self-employed whose previous work for an employer ended before the start of current self-employed

Question: At the time that you started the current self-employment, had your work as an employee already ended?[1]

	Groups of occupations[2]			
All self-employed	1	2	3	4
71.0	74.6	70.9	69.5	60.3

[1] Question asked to respondents who worked for an employer before the start of the current self-employment spell.

[2] 1, manager/professional occupations; 2, service occupations; 3, blue-collar occupations; 4, occupations unique to primary industries.

TABLE C.3
How previous employment ended

How did your work for an employer end...?[1]

				Groups of occupations[2]				Tenure length (in years)				
	Both sexes	Men	Women	1	2	3	4	<2	2-5	5-10	10-20	20+
Quit or resign	60.1	57.5	66.6	61	62.5	54.1	65.1	64.8	50.7	57.5	59.6	69.8
Lose your job	27.9	30.4	21.5	26.2	28.1	32.8	23.1*	23.3	36.3	33.5	27.6	16.5*
Retire	3.2*											
Other	2.4#											
Other, became self-employed	6.4											

[1] Question asked to respondents whose work for employer had ended before they became self-employed. Categories were read to respondents.

[2] 1, manager/professional occupations; 2, service occupations; 3, blue-collar occupations; 4, occupations unique to primary industries.

* Estimate of marginal quality. # Estimate of unacceptable quality.

TABLE C.4
Main reason one became self-employed

Question: What is the main reason you became self-employed instead of working for an employer?[1]

		Employer status				Groups of occupations[2]			
	All self-employed	OASE	Employer	Men	Women	1	2	3	4
Independence, freedom, own boss	36.3	35.1	37.5	42.1	24.0	35.3	30.4	46.6	34.9
Control, responsibility, decision making	7.4	5.7	9.1	8.7	4.6*	9.6	5.3*	7.7*	&
Challenge, creativity, success, satisfaction	9.8	7.9	11.8	9.7	10.1	13.1	8.8*	7.1*	5.1*
Flexible hours	6.9	9.6	4.2*	5.3	10.2	5.9	11.4	6.4*	&
Balance of work and family	5.4	7.7	3.0*	1.7*	13.2	4.1*	11.3	&	&
Work from home	3.3								
More money, unlimited income	7.5	6.8	8.2	8.6	5.2*	7.4	6.5*	11.7	&
Lower taxes, deductions	&								
Less stress	&								
Nature of the job	6.4	6.8	6.0	5.8	7.8	7.9	5.0*	&	7.0*
Joined or took over family business	9.3	6.8	11.8	9.5	8.8	6.5	&	5.8*	33.4
Other	4.0								
Other, opportunity	1.8*								

	Tenure length (in years)					Income level[3]			
	<2	2-5	5-10	10-20	20+	a	b	c	d
Independence, freedom, own boss	34.4	33.9	36.7	36.5	40.3	30.1	38.3	44.1	36.3
Control, decision making	7.0*	10.0*	9.4*	6.1*	4.2*	&	7.7*	&	10.5*
Challenge, creativity, success, satisfaction	14.0	9.8*	9.4*	9.5*	7.0*	8.3*	9.9	11.1*	9.3*
Flexible hours	8.9*	8.4*	9.0*	5.6*	&	9.2*	6.8*	4.0*	4.5*
Balance of work and family	8.0*	5.9*	5.5*	5.2*	&	12.3	4.0*	&	&
More money, unlimited income	9.1*	7.0*	6.6*	8.3*	6.7*	&	7.8*	&	11.5
Nature of the job	&	7.7*	5.2*	7.8*	6.0*	5.8*	6.2*	&	9.6*
Joined or took over family business	&	&	5.2*	11.9	23.9	11.8	10.5	8.5*	8.1*

[1] Question asked to all respondents who did not become self-employed for lack of suitable paid employment.

[2] 1, manager/professional occupations; 2, service occupations; 3, blue-collar occupations; 4, occupations unique to primary industries.

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

* Estimate of marginal quality. # Estimate of unacceptable quality. & Estimate of unacceptable quality, data suppressed.

TABLE C.5

Attitudes towards self-employment, according to various characteristics

		Groups of occupations[1]				Tenure length (in year)				
	Both sexes	1	2	3	4	<2	2-5	5-10	10-20	20+
By choice	59.5	62.7	53.7	52.7	72.6	53.0	53.5	56.5	63.3	73.2
Involuntary	11.8	10.4	14.7	14.7	4.9*	15.2	13.8	15.7	8.0*	4.6*
Discouraged	18.5	16.7	21.1	20.0	17.0	17.8	19.8	17.1	21.1	16.4
Adjusted	10.2	10.2	10.6	12.5	5.4*	14.0	12.9	10.7	7.5*	5.8*
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

	Employer status		Age at beginning of self-employment spell[2]							
	OASE	Employer	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-59
By choice	51.2	69.0	75.5	65.4	66.2	58.5	58.5	49.8	52.0	53.7
Involuntary	15.0	8.0	&	&	8.9*	12.8	10.3*	15.0	16.8*	16.5*
Discouraged	21.5	15.1	&	19.8	18.3	18.5	19.2	21.8	21.7	12.6*
Adjusted	12.2	7.9	&	&	6.7*	10.2*	12.0	13.3*	9.6*	17.3*
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

	Income level[3]				Education level[4]			
	a	b	c	d	*A*	*B*	*C*	*D*
By choice	49.2	57.4	62.6	74.8	56.0	58.0	56.9	67.4
Involuntary	16.9	14.1	6.0#	&	14.3	11.2	11.2	11.3
Discouraged	22.4	19.4	18.2	15.1	20.4	20.5	19.3	13.7
Adjusted	11.5	9.1	13.2*	&	9.3*	10.3	12.5	7.6*
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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[1] 1, manager/professional occupations; 2, service occupations; 3, blue-collar occupations; 4, occupations unique to primary industries.

[2] Based on unpublished data.

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

[4] *A*, not completed high school; *B*, high school diploma (including some post-secondary education); *C*, post-secondary certificate or diploma; *D*, university degree.

* Estimate of marginal quality.

# Estimate of unacceptable quality,

& Estimate of unacceptable quality, data suppressed.

TABLE C.6

Attitude towards self-employment and employer status according to the way previous employment ended[1]

	All self-employed		OASE		Employer	
	Lost job	Quit/resigned[2]	Lost job	Quit/resigned[2]	Lost job	Quit/resigned[2]
By choice	41.4	67.1	33.2	58.1	55.0	74.8
Involuntary	20.3	7.2	25.6	8.6*	&	6.1*
Discouraged	20.5	19.3	23.5*	24.9	&	14.4
Adjusted	17.7	6.4*	17.8*	8.4*	&	4.6*

	Employer status according to the way previous employment ended[3]			
	Lost one's job	Quit/resigned	Retired	Other, became self-employed
OASE	62.1	48.5	65.8	20.0#
Employer	37.9	51.5	34.2#	80.0

[1] For respondents whose work for employer had ended when they became self-employed.

[2] The category quit/resigned includes those who answered, "other, simply became self-employed".

[3] Category "Other" is suppressed, as estimates are of unacceptable quality.

* Estimate of marginal quality.

# Estimate of unacceptable quality.

& Estimate of unacceptable quality, data suppressed.

TABLE C.7

Proportion of the self-employed who like various aspects of self-employment

	Questions: What do you like about being self-employed ...?[1]		
	Both sexes	Men	Women
Independence, own boss	61.5	67.0	49.9
Control, decision making	28.9	31.7	22.9
Challenge, creativity, etc.	26.6		
Flexible hours	36.1	33.6	41.5
Balance of work and family	13.7	9.4	22.9
Work from home	11.8	6.3	23.5
More money, unlimited income	13.7	15.8	9.2
Lower taxes, deductions	5.0		
Less stress	4.7		
Other	2.1*		
Other: nothing	1.0#		

[1] A maximum of three advantages can be mentioned by any respondent.

* Estimate of marginal quality.

# Estimate of unacceptable quality,

TABLE C.8

Aspect of self-employment that is most liked, in percentages

Question: What do you like the most about being self-employed?[1]

Independence, etc.	41.4	More money, unlimited income	5.3
Control, decision making	10.3	Lower taxes, deductions	&
Challenge, creativity, etc.	13.7	Less stress	0.9
Flexible hours	13.7	Other	1.7
Bal. of work and family	6.3	Nothing	&
Work from home	4.5		

			Groups of occupations[2]				Attitude towards self-employment			
	Men	Women	1	2	3	4	By choice	Involuntary	Discouraged	Adjusted
Independence, etc.	47.7	28.1	39.9	32.9	47.2	54.7	44.0	28.3	38.8	42.4
Control ...	11.3	8.1	13.1	6.4*	9.8	9.7*	11.0	&	12.5	&
Challenge...	13.9	13.3	17.4	11.0	12.4	8.6*	14.0	12.8*	12.7	15.2*
Flexible hours	12.2	17.0	13.8	16.8	13.7	6.9*	12.1	18.7	15.3	16.2*
Bal. of work and...	3.4	12.4	4.8	10.6	&	8.8*	6.2	7.8*	6.2*	&
Work from home	1.1*	11.5		2.8*	9.4	&	4.3*			

	Employer status		Income level[3]				Tenure length (in year)				
	OASE	Employer	a	b	c	d	<2	2-5	5-10	10-20	20+
Independence, etc.	39.5	43.7	34.5	45	50.6	43.0	32.2	38.6	42.1	42.5	54.2
Control, etc.	7.9	13.2	7.4*	10.3	9.7*	13.6	9.5*	11.0	8.8*	11.4	9.9*
Challenge, etc.	9.9	18.1	11.8	13.7	11.9*	17.6	14.9*	13.4	13.8	15.6	10.2*
Flexible hours	16.8	10.2	17.0	13.2	11.9*	9.5*	15.7	13.3	15.9	12.4	10.7*
Bal. of work and...	7.9	4.4	11.0	4.9*	3.9*	&	8.1*	6.5*	4.2*	6.9*	5.9*
Work from home	6.6	2.0*	9.6	3.7*	&	&	6.5*	6.2*	4.1*	2.9*	&

[1] For all respondents; computed from answers to questions ms_q4 and all ms_q3 (unique answers).

[2] 1, manager/professional occupations; 2, service occupations; 3, blue-collar occupations; 4, occupations unique to primary industries.

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

* Estimate of marginal quality.

# Estimate of unacceptable quality.

& Estimate of unacceptable quality, data suppressed.

TABLE C.9
Proportion who dislike various aspects of self-employment

Question: What do you dislike about being self-employed...?[1]

	Both sexes	Men	Women
Uncertainty, insecurity	32.9		
Long hours, no time off	25.1		
Income fluctuations, cash flow problems	22.9		
Lack of benefits	16.8	14.9	20.9
Stress	14.2		
Tasks related to running a business	9.3		
Too much responsibility	8.2		
Tax burden	7.9	8.7	6.3
Low income	7.9	6.8	10.3
Difficulties obtaining financing	7.8		
Interference in family life	5.6		
Working alone, isolation	4.8	3.6	7.3
Other	3.9	4.4	3.0*
Other: nothing	6.3		

[1] A maximum of three disadvantages can be mentioned by each respondent.

* Estimate of marginal quality.

TABLE C.10
Aspect of self-employment that is most disliked, in percentages

Question: What do you dislike the most about being self-employed?[1]

Uncertainty, insecurity	21.9	Tasks related to running a business	4.7	Interference in family life	2.4
Long hours, no time off	15.0	Too much responsibility	3.8	Working alone, isolation	2.4
Income fluctuations, cash flow problems	12.1	Tax burden	5.2	Other	3.8
		Low income	4.1	Other: nothing	6.3
Lack of benefits	7.1	Stress	7.4	Difficulties obtaining financing	3.8

			Groups of occupations[2]				Attitude towards self-employment			
	Men	Women	1	2	3	4	By choice	Involuntary	Discouraged	Adjusted
Uncertainty, insecurity	22.4	20.9	21.3	22.8	22.6	21.3	19.0	31.0	24.0	25.1
Long hours, no time off	14.2	16.6	15.4	13.5	12.9	20.4	16.8	7.8*	16.6	10.3*
Income fluctuations...	12.3	11.7	10.7	11.1	12.1	19.1	11.0	15.5	11.5	14.4*
Lack of benefits	5.8	9.9	6.2	11.0	5.6*	4.8*	5.7	9.9*	8.0*	&
Stress	7.6	6.9	7.1	7.3	9.4	5.1*	8.7	&	6.7	&

	Employer status		Income level[3]				Tenure length (in year)				
	OASE	Employer	a	b	c	d	<2	2-5	5-10	10-20	20+
Uncertainty, insecurity	24.8	18.6	22.8	21.7	24.6	20.1	23.7	21.8	22.5	22.3	19.4
Long hours, no time off	11.2	19.5	12.4	&	&	14.3	12.1	12.3	16.2	16.7	17.8
Income fluctuations...	14.8	9.0	15.0	13.9	10.4*	7.1*	11.9	13.7	10.1	10.9	14.5
Lack of benefits	9.7	4.1*	9.8	7.6	&	&	7.6*	8.6*	7.5*	6.7*	5.0*
Stress	5.2	9.9	5.0*	7.2	10.0*	9.6*	7.7*	5.3*	8.6*	8.8*	5.7*

[1] For all respondents; computed from questions ms_q6 and all ms_q5 (unique answers).

[2] 1, manager/professional occupations; 2, service occupations; 3, blue-collar occupations; 4, occupations unique to primary industries.

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

* Estimate of marginal quality.

# Estimate of unacceptable quality.

& Estimate of unacceptable quality, data suppressed.

TABLE C.11

Proportions who find it more or less difficult to achieve a life and family-life balance, as compared to employee status

Question: Compared to when you worked for the last time as a paid employee, do you find balancing work and family life now to be more, less or equally difficult?[1]

				Groups of occupations[2]				Attitude towards self-employment, women only			
	Both sexes	Men	Women	1	2	3	4	By choice	Involuntary	Discouraged	Adjusted
More difficult	25.6	29.2	19.5	27.0	20.3	31.7	21.7#	18.4*	30.0*	19.8*	13.7#
Equally difficult	29.2	31.5	25.2	30.1	24.3	32.9	36.1#	21.1*	27.4*	36.3*	24.3*
Less difficult	45.2	39.4	55.3	42.9	55.3	35.4	42.2*	60.5	42.6*	43.9	62.0

	Income level[3]				Employer status		Employer		OASE	
	a	b	c	d	OASE	Employer	Men	Women	Men	Women
More difficult	25.3	27.9	28.8*	31.9*	19.1	36.8	38.6	32.2*	22.5	14.3*
Equally difficult	23.4	24.4	37.3	26.6*	30.5	27.0	27.8	25.1*	34.1	25.3
Less difficult	51.4	47.8	33.8*	41.6	50.4	36.2	33.6	42.7	43.5	60.4

	Age group, men only				Age group, women only			
	15-29	30-39	40-49	50-59	15-29	30-39	40-49	50-59
More difficult	36.7	28.8	31.2	22.8*	23.0*	23.1*	18.3*	11.9#
Equally difficult	33.3*	36.2	28.6	27.9*	29.0*	23.6*	25.3*	23.1#
Less difficult	30.0*	35.0	40.2	49.3	48.0*	53.2	56.3	65.1

[1] Questions asked only of respondents who started the current self-employment in 1995 or later and who have the experience of working for an employer but do not currently work for an employer.

[2] 1, manager/professional occupations; 2, service occupations; 3, blue-collar occupations; 4, occupations unique to primary industries.

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

* Estimate of marginal quality.

# Estimate of unacceptable quality.

Appendix D, Statistical Tables for chapter 5

TABLE D.1
Nature of most training needs of the self-employed

Question: Would you say that most of your training needs are related to knowledge or skills specific to...[1]

	...your profession or occupation	...operating your business	both (50/50)
All self-employed	46.3	16.8	36.9
OASE	51.8	15.1	33.1
Employer	40.3	18.7	41.0
Groups of occupations			
Manager/professional occupations	49.4	17.3	33.3
Service occupations	53.1	12.4	34.5
Blue collar occupations	43.1	19.9	37.0
Occupations unique to primary industries	26.2	19.1*	54.6
Education level			
Not completed high school	36.4	23.1	40.5
High school diploma[2]	41.2	20.1	38.7
Post-secondary certificate or diploma	44.2	14.3	41.5
University degree	59.2	13.5	27.4
Tenure length			
Less than 2 years	47.0	19.1	33.8
From 2 to 5 years	50.4	15.3	34.3
From 5 to 10 years	48.3	15.0	36.7
From 10 to 20 years	44.4	15.3	40.3
20 years and more	39.3	20.8	40.0

[1] Question asked to all respondents except those who did not take any training nor wanted to take any formal training. The categories were read to respondents.

[2] Including some post-secondary education.

* Estimate of marginal quality.

TABLE D.2
Participation rate in work-related formal training during previous 12 months

Question: In the past 12 months, did you take any formal training or education related to your self-employment? Please include programs, courses, correspondence courses, apprenticeship training, workshops or seminars

			Employer status		Groups of occupations[1]			
Both sexes	Men	Women	OASE	Employer	1	2	3	4
27.3	25.6	31.1	23.9	31.4	31.5	32.0	16.8	21.6

Education level[2]				Age group				
A	B	C	D	15-29	30-39	40-49	50-59	60-69
10.7	19.9	32.0	42.3	28.7	28.1	29.5	26.6	17.2*

Income level[3]				<$20,000		$20,000 - $40,000		$40,000 - $60,000	
a	b	c	d	Men	Women	Men	Women	Men	Women
20.1	23.7	28.0	45.1	17.0	23.1	20.5	32.2	24.7	41.8*

[1] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[2] A, not completed high school; *B*, high school diploma (including some post-secondary education); *C*, post-secondary certificate or diploma; *D*, university degree.

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

* Estimate of marginal quality.

TABLE D.3

Proportion of the self-employed not having taken desired formal training

Question: In the past 12 months, was there any formal training or education related to your work that you wanted to take but did not?

	Employer status		Income level[1]			
All self-employed	OASE	Employer	a	b	c	d
23.2	21.6	25.0	19.4	19.9	28.3	29.6

Education level[2]				Age group			
A	B	C	D	15-29	30-39	40-49	50-59
7.2	20.6	27.0	33.2	27.2	26.9	24.5	20.0

Groups of occupations[3]			
1	2	3	4
29.1	22.2	15.5	17.9

[1] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

[2] A, not completed high school; *B*, high school diploma (including some post-secondary education); *C*, post-secondary certificate or diploma; *D*, university degree.

[3] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

* Estimate of marginal quality.

TABLE D.4

Distribution of the self-employed according to whether they undertook formal training and whether they did not take some desired formal training

Undertook formal training	Wanted to take formal training	Conditional distribution[1]	Overall distribution
Yes	Yes	40.0	10.9
Yes	No	60.0	16.4
No	Yes	16.8	12.2
No	No	83.2	60.4

[1] Distribution according to answer to question "In the past 12 months, was there any formal training or education related to your work that you wanted to take but did not?", given participation in formal training during the past 12 months.

TABLE D.5

Obstacles to taking formal training

Question: What were the reasons you did not take this training or education...?[1]

	Both sexes	Men	Women
Lack of time, too busy at work	64.3	67.7	57.7
Cannot afford, expensive	32.5	27.5	42.0
Course offered at inconvenient time or location	15.3	13.9	17.9*
Other family responsibilities	4.0		
Not good value for money	&		
Lack of childcare	&	&	6.2*
Lack of information on available courses	&		
Other	&		

	Income level[2]				$20,000 - $40,000	
	a	b	c	d	Men	Women
Cannot afford, expensive	39.6	40.2	25.6	&	34.6	50.0

	Employer status		Groups of occupations[3]			
	OASE	Employer	1	2	3	4
Cannot afford, expensive	41.4	23.5	33.7	39.5	23.4	&

[1] Respondents who wanted to take formal training but did not take it.

[2] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

[3] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

* Estimate of marginal quality.

& Estimate of unacceptable quality, data suppressed.

TABLE D.6
Participation rates in three forms of informal training activities

Question: There are various methods that one can use to learn informally.
In the past 12 months, did you use any of the following methods for work-related learning...?

	Studying manuals, books...[1]	Observing a colleague demonstrate skills	Discussing with others	At least one of the three
All self-employed	62.2	42.1	71.5	78.9
OASE	58.7	39.8	68.4	76.3
Employer	66.3	44.8	75.1	82.0
Groups of occupations				
Manager/professional	70.5	44.2	74.5	83.4
Service occupations	61.1	42.7	72.2	77.8
Blue collar occupations	48.6	36.0	61.9	70.1
Unique to primary industries	59.7	44.5	76.3	81.0
Education level				
Not completed high school	37.5	29.7	53.1	59.6
High school diploma[2]	57.3	42.0	71.0	77.2
Post-secondary certificate or diploma	66.8	44.0	74.9	82.6
University degree	80.5	49.0	81.3	90.5
Age categories				
15-29	61.2	60.4	78.8	85.3
30-39	63.9	48.4	76.6	82.8
40-49	64.9	43.5	72.6	80.3
50-59	60.7	34.1	66.9	75.8
60-69	51.1	24.1	57.5	64.1

[1] ... or other publications in either print or electronic format.

[2] Including some post-secondary education.

TABLE D.7
Distribution of the self-employed according to whether they undertook formal training and informal training

Undertook formal training	Undertook informal training	Conditional distribution[1]	Overall distribution
Yes	Yes	96.9	26.5
Yes	No	3.1*	0.9*
No	Yes	72.1	52.4
No	No	27.9	20.2

[1] Distribution according to answer to question "In the past 12 months, was there any formal training or education related to your work that you wanted to take but did not?", given participation in formal training during the past 12 months.

* Estimate of marginal quality.

TABLE D.8

Relative usefulness of formal and informal training

Question: In your current circumstances, which one is more useful to you: formal or informal training?[1]

	Formal	Informal	Both
All self-employed	18.0	44.1	37.8
OASE	19.6	47.3	33.1
Employer	16.5	41.1	42.4
Groups of occupations			
Blue-collar occupations	16.7*	58.3	25.0
Occupations unique to primary industries	10.8#	47.5	41.8
Formal training participation			
Trained formally and informally	19.7	36.5	43.8
Trained only informally	10.6*	62.9	26.5

[1] For respondents who have done some formal training during the previous 12 months and to have either taken formal training or indicated a desire to take formal training, but without doing so for some reason. In all, 39.4% of all survey respondents answered this question.

* Estimate of marginal quality.

# Estimate of unacceptable quality.

TABLE D.9

Proportion of the self-employed who agree with stated relative advantages of formal training

Question: For you, what are the main advantages of formal training compared to informal training...?[1]

Benefits of an instructor	55.2
Credentials associated with having a degree	44.1
An opportunity to meet/network with others in my field	34.8
Easier to find the time once money is paid, time is set, etc.	23.0
Other	&

			Employer status		Groups of occupations[2]			
	Men	Women	OASE	Employer	1	2	3	4
... an instructor					58.4	54.0	41.4	57.0
Credentials...	46.2	40.7						
Easier to find...	25.5	19.0	15.9*	29.4				

[1] Question asked to respondents who find formal training more or as useful as informal training.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

* Estimate of marginal quality.

& Estimate of unacceptable quality, data suppressed.

TABLE D.10

Proportion of the self-employed who agree with stated relative advantages of informal training

Question: For you, what are the main advantages of informal training compared to formal training...?[1]	
More flexibility of time	53.4
Can be more specific to my needs	51.3
Can learn at own space	36.1
Lower cost	31.1
Less time consuming	31.0
Quick access to up-to-date information	29.8
Other	2.8#

	Employer status		Groups of occupations[2]			
	OASE	Employer	1	2	3	4
Lower cost	34.0	28.4				
More flexibility of time	49.5	57.1	58.0	53.1	45.4	43.4

	Trained formally and informally	Trained only informally
More flexibility of time	51.3	60.1
Lower cost	28.4	36.2
Less time consuming	27.8	37.4

[1] Question asked to respondents who find informal training more or as useful as formal training.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

* Estimate of marginal quality.

# Estimate of unacceptable quality.

Appendix E, Statistical Tables for chapter 6

TABLE E.1

Proportion who have experienced past financial difficulties as a result of being self-employed

Question: Have you ever experienced personal financial difficulties as a result of being self-employed?

			Spouse is business partner?			Employer status	
Both sexes	Men	Women	Yes	No	No spouse	OASE	Employer
39.6	41.9	34.7	41.5	35.9	47.4	41.7	37.2

Groups of occupations[1]				Tenure length (in years)				
1	2	3	4	<2	2-5	5-10	10-20	20+
36.3	39.0	46.2	40.8	34.4	36.9	46.0	41.4	38.3

Attitude towards self-employment				Income level[2]			
By choice	Involuntary	Discouraged	Adjusted	a	b	c	d
32.8	56.5	48.9	41.4	48.5	41.5	38.3	33.3

[1] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[2] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

TABLE E.2

Proportions who dealt with financial difficulties in various manners

Question: How did you deal with the most recent difficulties?[1]

Reduced personal, family expenditures	51.3	Sold assets	11.5
Borrowed money	37.2	Cashed in RRSP's	11.6
Used savings	26.5	Received government assistance	3.3*
Relied on other sources of income	15.3	Declared bankruptcy	2.2#

	Men	Women
Sold assets	12.7	8.3*

[1] Question asked to respondents who experienced personal financial difficulties due to self-employment. The categories were read to respondents. Multiple answers are allowed.

* Estimate of marginal quality.

# Estimate of unacceptable quality.

TABLE E.3

Proportion who used other sources of income to cope with personal financial difficulties

Question: On what other sources of income have you relied...?[1]

Earnings of other members of the household	46.6	Earnings from another business operated by respondent	&
Earnings from respondent's paid job[2]	23.9*	Relied on own pension	&
Other sources	25.4*		

[1] Question asked of all respondents who relied on other sources of income when they last experienced personal financial difficulties. Multiple answers are allowed.

[2] Including starting a paid job.

* Estimate of marginal quality.

& Estimate of unacceptable quality, data suppressed.

TABLE E.4

Proportion who borrowed from various sources to cope with most recent personal financial difficulties

Question: From who did you borrow, from a financial institutions or from family or friends or from others?[1]

				Groups of occupations[2]			
	Both sexes	Men	Women	1	2	3	4
From a financial institutions	66.4	70.3	55.9	67.6	54.5	65.6	84.4
From family or friends	39.5	35.3	51.0	39.0	57.0	33.7*	&
Others	&						

[1] Question asked to respondents who borrowed money when experiencing financial difficulties. Multiple answers are allowed.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

* Estimate of marginal quality.

& Estimate of unacceptable quality, data suppressed.

TABLE E.5

Proportion who would be interested in an income insurance program

Question: Would you be interested in paying premiums to an insurance program which would pay you benefits if poor business conditions cause you personal financial difficulties?

		Employer status		Spouse present		Labour force status of spouse		
	All self-employed	OASE	Employer	Yes	No	Works full time	Works part time	Unemployed not in labour force
Yes	39.9	42.9	36.4	38.3	46.3	39.5	31.8	39.2
No	55.7	52.9	58.9	57.2	49.8	55.9	62.5	57.1
Don't know	4.4	4.2	4.7	4.6	3.9*	4.6	5.7#	3.7#

	Tenure length (in years)					Groups of occupations[1]				Financial difficulties?[2]	
	<2	2-5	5-10	10-20	20 +	1	2	3	4	Yes	No
Yes	47.6	40.7	41.7	39.0	28.9	36.9	43.3	44.0	36.1	47.9	34.6
No	48.6	55.9	53.4	56.5	65.3	58.3	53.5	51.5	58.6	47.0	61.5
Don't know	3.8#	3.4*	4.8*	4.5*	5.8*	4.9	3.2*	4.5*	5.3*	5.1	3.9

	Attitude towards self-employment				Income level[3]			
	By choice	Involuntary	Discouraged	Adjusted	a	b	c	d
Yes	32.3	55.2	54.0	40.8	39.7	43.4	43.6	30.4
No	63.9	40.9	42.0	55.2	56.0	53.3	51.4	65.2
Don't know	3.8	3.9#	4.0#	4.0#	4.2*	3.3*	4.9#	4.4#

	Age categories				
	15-29	30-39	40-49	50-59	60-69
Yes	46.9	43.6	41.0	37.3	25.0
No	49.0	52.6	54.5	58.2	69.0
Don't know	4.1#	3.8*	4.5*	4.5*	6.0*

[1] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[2] According to answer to question: Have you ever experienced personal financial difficulties as a result of being self-employed?

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

* Estimate of marginal quality.

Estimate of unacceptable quality.

TABLE E.6

Reasons for interest in income insurance program, in percentages

Question: Why would you be interested?[1]

	All self-employed	Financial difficulties?[2]	
		Yes	No
Would feel more secure, less stressed out	81.0		
Program would help to stay in business	20.5	25.9	15.3
Has no other income to rely on, no other insurance	17.1	20.8	13.9
High probability would use it (business unstable)	13.3	17.7	9.4
Other	2.3*		

			Attitude towards self-employment			
	Men	Women	By choice	Involuntary	Discouraged	Adjusted
Feel more secure, less stressed out	79.1	85.1	79.6	85.6	84.2	72.6

[1] Question asked to respondents who stated being interested in an income insurance program. Multiple answers are allowed.

[2] According to answer to question: Have you ever experienced personal financial difficulties as a result of being self-employed?

TABLE E.7

Reasons for lack of interest in income insurance program, in percentages

Question: Why would you not be interested?[1]

Low probability would ever use it (business stable)	38.7	Other - cost will be too high	5.7
Does not believe in insurance program for self-employed	24.3	Other	2.9*
Has other - sufficient income sources to rely on, can find work, other insurance	21.2	Other - program would not be feasible	2.1*
Program would not do enough to help	13.9		

	Financial difficulties?[2]			Financial difficulties?[2]	
	Yes	No		Yes	No
Low probability would ever use it	29.2	43.5	Program would not do enough to help	19.5	11.0
Does not believe in insurance program...	29.6	21.6	Other - cost will be too high	9.7*	3.7*
Has other - sufficient income sources...	15.6	24.0			

			Attitude towards self-employment			
	Men	Women	By choice	Involuntary	Discouraged	Adjusted
Low probability would ever use it			41.9	23.8*	33.0	38.1
Does not believe in insurance program....	27.6	17.0				
Has other - sufficient income sources to rely on...	18.0	28.2	22.5	&	19.4*	21.7*
Program would not do enough to help	15.0	11.4				

[1] Question asked to respondents who stated being interested in an income insurance program. Multiple answers are allowed.

[2] According to answer to question: Have you ever experienced personal financial difficulties as a result of being self-employed?

* Estimate of marginal quality.

# Estimate of unacceptable quality.

& Estimate of unacceptable quality, data suppressed.

Appendix F, Statistical Tables for chapter 7

TABLE F.1

Proportion of the self-employed with dental insurance coverage

Question: Are you covered by a dental [insurance] plan, other than a provincial plan?

	Employer status		Groups of occupations[1]				Membership, men	
All self-employed	OASE	Employer	1	2	3	4	Member	Non-member
35.0	33.4	36.9	39.9	35.4	32.4	21.6	41.8	29.5

Income level[2]				Age categories				
a	b	c	d	15-29	30-39	40-49	50-59	60-69
31.7	29.0	39.5	49.9	26.9	32.8	38.3	35.9	33.6

[1] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[2] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

TABLE F.2

Distribution of the sources of coverage for dental insurance

Question: What is the source of your coverage?[1]

Spouse's plan	52.5	Through a paid job	4.6*
Own plan purchased as a self-employed	21.2	Through a franchisor	1.2#
Plan purchased through an association	14.6	Other	5.9*

			Employer status		Groups of occupations[2]			
	Men	Women	OASE	Employer	1	2	3	4
Spouse's plan	43.5	71.8	68.5	35.6	43.4	73.9	45.2	58.6
Own plan...	25.9	11.0*	11.9	31.0	30.6	10.8*	15.2*	&
...through an association	16.5	10.4*	7.8*	21.7	14.7	&	24.4	&

	Income level[3]				Men		Women	
	a	b	c	d	Member	Non-member	Member	Non-member
Spouse's plan	74.9	60.8	40.0	25.9	31.4	57.9	59.8	80.1
Own plan....	&	17.3*	28.9	35.7	28.9	22.5	14.2*	&
...through an association	&	13.6*	19.8*	24.3	25.5	&	&	&

[1] Question asked to respondents who have a dental plan.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

* Estimate of marginal quality.

Estimate of unacceptable quality.& Estimate of unacceptable quality, data suppressed.

TABLE F.3
Main reasons for not purchasing a dental plan

Question: What is the main reason you haven't purchased a dental plan?[1]			
Cannot afford at this moment	40.9	Keep putting it off	5.7
Not good value for money	25.2	Other	3.8
Haven't thought about it	19.8	Other: no need	4.5

Employer status			Groups of occupations[2]			
	OASE	Employer	1	2	3	4
Cannot afford at this moment	45.9	34.7	36.3	47.1	47.3	32.6
Not good value for money	21.3	30.1	28.6	22.0	20.9	28.2
Haven't thought about it	20.4	19.1	17.8	17.7	19.9	29.1

	Income level[3]				Membership in association	
	a	b	c	d	Member	Non-member
Cannot afford at this moment	45.8	42.3	38.2	30.9	36.7	43.8
Not good value for money	20.6	27.5	30.4	32.5	29.6	22.3
Haven't thought about it	20.5	17.6	19.4*	17.2*	19.5	20.1

[1] Question asked to respondents who do not have a supplementary health plan. The categories were read to respondents.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

* Estimate of marginal quality.

TABLE F.4
Proportion of the self-employed with supplementary health plan coverage

Question: Are you covered by a health plan, other than provincial medicare?

	Employer status		Groups of occupations[1]				Membership, men	
All self-employed	OASE	Employer	1	2	3	4	Member	Non-member
42.6	38.7	47.1	47.7	41.1	39.6	32.5	53.9	32.9

Income level[2]				Age categories				
a	b	c	d	15-29	30-39	40-49	50-59	60-69
36.9	37.2	50.1	59.8	34.7	37.4	44.7	46.6	46.0

[1] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[2] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

TABLE F.5
Distribution of the sources of coverage for supplementary health plan

Question: What is the source of your coverage?[1]

Spouse's plan	44.1	Through a paid job	5.2
Own plan purchased as a self-employed	27.0	Through a franchisor	1.5#
Plan purchased through an association	16.1	Other	6.0

			Employer status		Groups of occupations[2]			
	Men	Women	OASE	Employer	1	2	3	4
Spouse's plan	35.4	62.5	61.2	27.9	34.7	67.6	41.0	37.4
Own plan...	32.5	15.6	17.2	36.5	33.5	15.9*	25.4	26.6*
...through an association	18.1	11.8*	9.5	22.4	17.9	7.6*	19.6	22.0*

	Income level[3]				Men		Women	
	a	b	c	d	Member	Non-member	Member	Non-member
Spouse's plan	67.8	46.8	36.6	20.9	25.9	48.3	52.6	70.3
Own plan....	10.6*	24.3	37.0	39.7	34.2	30.1	19.7*	12.5*
...through an association	7.0*	16.8	16.5*	25.5	25.4	8.3*	16.5*	&

[1] Question asked to respondents who have a supplementary health plan.
[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.
[3] 3 a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.
* Estimate of marginal quality.
# Estimate of unacceptable quality.
& Estimate of unacceptable quality, data suppressed.

TABLE F.6
Main reasons for not purchasing supplementary health plan

Question: What is the main reason you haven't purchased a supplementary health plan?[1]

Cannot afford at this moment	41.4	Keep putting it off	7.2
Not good value for money	22.6	Other	3.7
Haven't thought about it	20.5	Other: no need	4.6

			Employer status		Groups of occupations[2]			
	Men	Women	OASE	Employer	1	2	3	4
Cannot afford....	39.5	45.4	45.2	36.3	37.0	47.2	48.5	31.2
Not good value...	23.9	19.7	20.4	25.5	22.5	20.8	22.2	26.8
Haven't thought...	20.8	20.0	19.2	22.3	21.3	15.8	19.9	28.0

	Membership		Income level[3]			
	Member	Non-member	a	b	c	d
Cannot afford....	36.9	44.0	48.2	43.8	35.2	31.9
Not good value...	27.1	19.9	18.9	25.0	29.6	26.9
Haven't thought...	20.0	20.8	20.2	16.3	20.2*	20.6*

[1] Question asked to respondents who do not have a supplementary health plan. The categories were read to respondents.
[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.
[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.
* Estimate of marginal quality.
# Estimate of unacceptable quality.
& Estimate of unacceptable quality, data suppressed.

TABLE F.7

Proportion of the self-employed with disability insurance coverage

Question: Have you purchased disability insurance that would provide you with income in the case of long term health problem?

				Groups of occupations[1]			
	Both sexes	Men	Women	1	2	3	4
	42.6	43.1	28.6	42.3	29.3	41.2	39.1

	Men, with children or spouse			Age categories				
	Yes	No		15-29	30-39	40-49	50-59	60-69
	44.6	35.7		34.0	40.8	39.0	38.7	31.7

Income level, men[2]				Income level, women[2]			
a	b	c	d	a	b	c	d
27.9	38.2	53.2	62.7	21.6	29.4	33.7	58.8

[1] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[2] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

TABLE F.8

Main reasons for not purchasing disability insurance

Question: What is the main reason you haven't purchased disability insurance?[1]

Not good value for money	16.8	Keep putting it off	9.5
Cannot afford at this moment	40.1	Do not qualify	3.6
Haven't thought about it	22.1	Other	2.9*
Other: no need	5.0		

	Groups of occupations[2]				Income level[3]			
	1	2	3	4	a	b	c	d
Not good value...	17.7	17.4	12.5*	19.8*	44.5	44.8	33.4	30.3
Cannot afford...	36.0	38.8	51.3	37.4	17.3	17.9	17.4	20.6*
Haven't thought...	24.9	22.2	14.4	26.2	17.7	18.9	31.2	21.9*

[1] Question asked to respondents who do not have disability insurance. The categories were read to respondents.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

* Estimate of marginal quality.

# Estimate of unacceptable quality.

TABLE F.9

Importance of common sources of coverage for dental and supplementary health insurance coverage[1]

	Spouse's plan	Own plan...	...through an association	Total
Men	44.1	23.8*	14.4#	82.3
Women	76.7	9.2*	7.2#	93.1

[1] Computed for respondents who have both types of insurance and have a spouse. Around 36% of married respondents have both types of coverage. The distribution of dental and supplementary health coverage for married respondents does not vary by sex.

* Estimate of marginal quality.

# Estimate of unacceptable quality.

Appendix G, Statistical Tables for chapter 8

TABLE G.1

Proportion of the self-employed who have started preparing financially for their retirement, by characteristics[1]

			Groups of occupations[2]			
Both sexes	Men	Women	1	2	3	4
90.9	92.1	88.5	94.7	84.0	89.2	95.2

Age categories					Income level[3]			
15-29	30-39	40-49	50-59	60-69	a	b	c	d
79.3	88.5	92.2	95.5	90.5	85.6	92.6	94.9	97.5

[1] Proportion of the self-employed who possess at least one asset.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

TABLE G.2

Proportion of the self-employed who own assets of various types

Question: Some people start preparing early for retirement, some later. For your retirement, do you have...?

Assets such as equity in your home or cottage or business	79.1	Other assets such as land or rental property	27.2
Your own RRSPs	69.1	Your own pension plan from a paid job	15.0
Some other forms of savings...[1]	45.1	Any other assets	14.2

			Employer status		Income level[2]			
	Men	Women	OASE	Employer	a	b	c	d
...equity, home, business	81.4	74.0	69.5	90.2	75.3	79.6	80.9	91.1
...RRSPs	70.2	66.9	59.5	80.4	51.1	71.8	78.0	88.2
Other savings...			39.5	51.6	37.8	43.2	47.4	62.1
...land, rental property	30.1	21.0	20.5	35.0	25.4	25.9	27.2	37.9
Any other assets	16.5	9.4	11.3	17.6	10.8	11.7	17.0	23.3

	Age categories					Groups of occupations[3]			
	15-29	30-39	40-49	50-59	60-69	1	2	3	4
...equity, home, business	49.8	75.2	82.1	85.7	84.4	83.2	68.3	79.1	87.1
...RRSPs	54.6	66.5	73.0	71.4	67.8	78.7	62.6	63.1	59.3
Other savings...	36.8	40.2	44.9	51.0	51.7	52.9	40.0	34.7	46.7
...land, rental property	12.4*	19.7	28.4	34.4	38.1	27.6	18.2	19.7	58.5
...pension plan	9.5*	11.3	13.6	19.6	23.7	16.9	13.1	15.8	10.8*
Any other assets	12.7*	12.2	14.3	15.1	18.9*	13.7	11.1	14.6	21.9

[1] ...or investments for retirement, e.g. mutual funds, GICs, stocks, bonds outside the RRSP.

[2] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

[3] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

* Estimate of marginal quality.

TABLE G.3

Number of types of assets held by the self-employed, by selected characteristics[1]

				Employer status	
	Both sexes	Men	Women	OASE	Employer
At least four types	26.3	28.5	21.4	20.3	32.4
Three types	29.4	29.9	28.1	26.8	32.0
Two types	28.0	26.5	31.3	30.3	25.7
One type	16.4	15.1	19.2	22.6	10.0

	Groups of occupations[2]				Income level[3]			
	1	2	3	4	a	b	c	d
At least four types	30.6	18.9	20.7	33.9	20.0	24.2	25.4	43.1
Three types	30.7	28.8	27.0	29.7	26.9	29.2	33.0	29.5
Two types	24.9	32.7	31.8	23.6	29.7	29.5	29.0	22.1
One type	13.8	19.6	20.5	12.7*	23.4	17.2	12.7*	5.2#

	Age categories				
	15-29	30-39	40-49	50-59	60-69
At least four types	11.0*	19.5	26.4	31.6	42.4
Three types	25.5*	29.3	31.4	29.5	23.3
Two types	34.8	33.5	27.4	24.2	19.3*
One type	28.7	17.7	14.7	14.7	15.0*

[1] Among the self-employed who own of at least one type of assets.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

* Estimate of marginal quality.

* Estimate of unacceptable quality.

TABLE G.4

Proportion of the self-employed who own a class of assets, according to the number of types of assets held[1]

	1 type	2 types	3 types	4 types or more
Equity in one's home or cottage or business	61.5	82.5	94.6	99.3
One's own RRSPs	29.2	70.4	89.2	96.9
Other forms of savings for retirement	&	20.6	65.7	91.2
Other assets such as land or rental property	&	13.5	23.9	71.9
Any other assets	&	6.0*	10.2	40.7
Own pension plan from a paid job	&	7.1*	16.9	35.1

[1] Among the self-employed who own of at least one type of assets.

* Estimate of marginal quality.

& Estimate of unacceptable quality, data suppressed.

TABLE G.5

Proportion of the self-employed providing various reasons for not having started accumulating assets

Question: What is the main reason you have not started preparing yourself financially for retirement?[1]	
Cannot afford	73.0
Too early	15.5*
Spouse/partner has a pension plan, etc.	&*
Government pension sufficient	&*
Other	&*

[1] Question asked to respondents who have not started preparing financially for retirement.

* Estimate of marginal quality.

& Estimate of unacceptable quality, data suppressed.

Appendix H, Statistical Tables for chapter 9

TABLE H.1

Proportion of self-employed who are in associations with obligatory membership

Question: In your activity, are you required to belong to any professional, occupational or trade associations?

			Employer status	
Both sexes	Men	Women	OASE	Employer
26.6	28.3	23.0	20.0	34.4

Groups of occupations[1]				Income level[2]			
1	2	3	4	a	b	c	d
32.1	22.1	21.7	25.6	14.5	22.8	29.3	48.2

[1] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[2] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

TABLE H.2

Proportion of the self-employed who are members of voluntary associations

Question: Do you voluntarily belong to any professional, occupational or trade association, or any organization that represents the interests of the self-employed?

	Employer status	
All self-employed	OASE	Employer
31.0	21.6	41.9

Groups of occupations[1]				Income level[2]			
1	2	3	4	a	b	c	d
37.9	25.5	21.9	34.7	22.8	26.2	41.2	48.7

[1] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[2] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

TABLE H.3

Membership in either type of associations, according to selected characteristics

			Employer status	
Both sexes	Men	Women	OASE	Employer
43.8	45.4	40.5	33.3	56.1

Groups of occupations[1]				Income level[2]			
1	2	3	4	a	b	c	d
52.3	36.5	34.0	46.8	30.9	38.3	54.6	67.6

[1] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[2] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

TABLE H.4

Benefits potentially available from associations

Question: Do any of the organizations that you belong to offer... ?[1]

				Employer status	
	Both sexes	Men	Women	OASE	Employer
Information about training	73.2				
Networking opportunities	67.1	65.3	71.5		
Training	62.8				
Group rates on health insurance	53.7	56.5	47.1	49.1	56.9
Group rates on dental insurance	45.1	48.4	37.4	40.0	48.6
Group rates on disability insurance	45.4	48.2	38.9	41.4	48.2

	Groups of occupations[2]				Income level[3]			
	1	2	3	4	a	b	c	d
Information about training	78.0	75.8	61.1	65.8				
Networking...	73.2	71.1	54.0	52.7	60.5	69.3	65.8	71.2
Training	68.4	66.4	51.0	49.2	54.7	61.0	60.2	69.0
...health insurance	60.3	46.1	51.2	43.7	42.6	51.2	56.3	63.2
...dental insurance	50.6	38.1	49.0	28.9	29.9	42.6	53.0	54.5
...disability insurance	53.7	38.1	39.4	31.7	28.3	39.0	54.3	56.6

	Type of associations[4]		
	Voluntary	Required	Both
Information about training	69.0	71.1	80.9
Networking...	67.9	59.5	73.5
Training	52.9	66.8	71.7
...health insurance	43.9	52.4	61.0
...dental insurance	37.4	44.7	50.8
...disability insurance	36.6	43.2	57.7

[1] Question asked to respondents who are either required or voluntarily members of associations.

[2] 1, manager/professional; 2, service occupations; 3, blue-collar occupations; 4, unique to primary industries.

[3] a, less than $20,000; b, $20-000 - $40,000; c, $40,000 - $60,000; d, $60,000 or more.

[4] Respondents are divided in three mutually exclusive groups: those who belong to both types of associations, those who belong to obligatory associations only, and those who belong to voluntary associations only.